AS A MAIN STREET BANK, WE ARE COMMITTED TO DELIVERING ON EACH OF OUR STRATEGIC PRIORITIES while looking out for the best interests of all of our stakeholders. This means building a talent-focused culture, strengthening our communities, delivering an exceptional customer experience and banking responsibly. Whether we are tackling unconscious bias in our workplace, supporting a nonprofit organization focused on early childhood education, helping our clients invest responsibly or pursuing ambitious environmental targets, each of our decisions and actions today has the potential to impact tomorrow. By operating with integrity, building meaningful connections and adhering to environmentally responsible business practices, however, we can set the stage for a successful future — for our employees, our communities, our customers and our shareholders.
A MESSAGE FROM OUR CEO

As a Main Street bank, we are committed to delivering on each of our strategic priorities while looking out for the best interests of all of our stakeholders, including our employees, communities, customers and shareholders. We believe that our success will be proportional to the prosperity we help to create for each of these stakeholders. This belief, along with our corporate values, shapes how we do business. It drives us to build a talent-focused culture full of opportunities for our employees, strengthen our communities, deliver exceptional customer experiences and put doing what is right ahead of every other consideration. And through the years, this approach has enabled us to earn our stakeholders’ trust.

In 2018, we achieved strong financial results while building meaningful connections with our stakeholders and driving positive impacts across our markets. As a result, we ranked second among superregional banks on Fortune’s 2019 list of the Most Admired Companies and third among financial institutions on Barron's 100 Most Sustainable Companies list for 2019.

While significant in and of themselves, these accolades are especially noteworthy now, during a time of rapid change in our industry and against the backdrop of a constantly evolving political and environmental landscape. Today, a growing percentage of our clients demand that virtually everything that can be done within a branch — and more — be available online and in the palms of their hands. Consumers’ purchasing behavior is being driven now more than ever before by the values they associate with corporate brands. And environmental issues, including climate change, are impacting our business, our employees, our clients and the communities in which we operate.

Our commitment, as a Main Street bank, is to respond to this change in a way that aligns with our corporate culture, minimizes risk and maximizes value for our stakeholders.

To that end, in 2018, we supported our employees by implementing a $15 per hour minimum wage across the company and by enhancing and expanding career planning and development resources. We are also holding managers more accountable for building diverse, high-performing teams and for identifying and moving talented employees up through the organization.

Further, we continued our work to create a more inclusive environment and to give our employees a more powerful voice within the company. In the third quarter, we launched a new survey tool — VoiceEX — which gives employees an opportunity to share their ideas and perceptions of PNC with management.

More than 75% of employees responded to the first survey, providing nearly 100,000 individual comments that we will use to identify and address existing issues as well as to shape future decisions on topics ranging from benefits to business operations.

In our communities, PNC provided more than $3.2 billion in financing that benefited low- and moderate-income families and communities, including more than $2.3 billion in community development loans. In addition, the PNC Foundation and PNC Bank provided more than $77 million in charitable giving and sponsorships, the majority of which supports education, the arts and economic development.

Across our markets, our signature philanthropic effort — PNC Grow Up Great® — continues in its 15th year to enhance quality and access to early childhood education, working with local partners to provide early learning opportunities for families that may not otherwise have the means to participate. As part of the 15th anniversary celebration, we announced this year an additional $150 million, making PNC Grow Up Great a $500 million initiative benefiting 40 markets. We’ve also extended our alliance with DonorsChoose.org, an online charity that connects individual donors with classrooms in need, by awarding another $5 million grant from the PNC Foundation to help preschool teachers obtain high-quality resources and learning experiences for their students.

I am pleased to share the news that, as a result of our ongoing investments in and commitment to the communities we serve, PNC recently received an “Outstanding” Community Reinvestment Act rating from the Office of the Comptroller of the Currency — the highest possible rating and one that we are proud to have earned for every exam period since the inception of the CRA in 1977.

“As a Main Street bank, we are committed to delivering on each of our strategic priorities while looking out for the best interests of all of our stakeholders.”
As one of the nation’s largest financial institutions, we understand the importance of balancing financial priorities with environmental issues. Being conscientious stewards of the environment not only supports a broader transition to a low-carbon economy, but also enables us to better compete and subsequently yield long-term financial benefits. For these reasons, among others, we are focused on reducing the environmental impact of our internal operations while lending to clean energy projects and managing environmental risks across our lending portfolio. In addition to reducing our carbon emissions and energy and water consumption, we’ve enhanced our sustainable finance governance and tracking, grown our responsible investing assets under management, and enhanced our environmental risk management due diligence. We also recently joined Ceres Company Network, which we expect will help us enhance our sustainability strategy, and have committed to pursuing 100% renewable energy by 2025.

While we made considerable progress in 2018, we recognize that we have work still to do. The findings of our 2018 materiality analysis, which can be found later in this report, will guide much of this work, including our ongoing stakeholder engagement. We will continue our work to meet the goals outlined in our corporate social responsibility (CSR) scorecard and also aim to focus on those goals that have the greatest impact on PNC and our stakeholders. In addition, we have an opportunity to enhance our environmental, social and governance disclosures, and are determining how we can best support the United Nations Sustainable Development Goals, as well as the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Overall, we are pleased with our 2018 performance and are confident that our work this past year has positioned us for greater progress in 2019 and beyond. I invite you to follow this progress through our quarterly financial reports and on our CSR website, where you’ll find our annual CSR reports and quarterly CSR newsletters, along with our scorecard, video and executive summary.

Thank you for your support, trust and interest in PNC.

Bill Demchak
Chairman, President
and Chief Executive Officer

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<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>METRIC</th>
<th>2016</th>
<th>2017</th>
<th>GOALS FOR 2018 AND BEYOND</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>BANK RESPONSIBLY</td>
<td>GOVERNANCE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent women among independent board directors</td>
<td>31%</td>
<td>36%</td>
<td>At least 30% of PNC’s independent board directors will be women.</td>
<td>33%*</td>
</tr>
<tr>
<td></td>
<td>Percent racial/ethnic diversity among independent board directors</td>
<td>15%</td>
<td>14%</td>
<td>Maintain or improve racial/ethnic diversity among independent board directors year-over-year</td>
<td>25%*</td>
</tr>
<tr>
<td>SUSTAINABLE FINANCE</td>
<td>Sustainable financing</td>
<td>$4 billion +</td>
<td>$16 billion + since 2016</td>
<td>$23 billion + since 2016</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Responsible investing assets under management</td>
<td>$2 billion</td>
<td>$2.1 billion</td>
<td>Year-over-year increase</td>
<td></td>
</tr>
<tr>
<td>ETHICAL CONDUCT</td>
<td>Percent of employees (both part-time and full-time) completing annual ethics training</td>
<td>100%</td>
<td>100%</td>
<td>100% of part- and full-time employees will complete annual ethics training</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>New clients subject to enhanced ESG due diligence</td>
<td>7</td>
<td>21</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Existing clients subject to enhanced ESG due diligence</td>
<td>125</td>
<td>172</td>
<td>229</td>
<td></td>
</tr>
<tr>
<td>SUSTAINABLE OPERATIONS</td>
<td>Scope 1 and 2 CO2 emissions</td>
<td>-30%</td>
<td>-42%</td>
<td>75% reduction by 2035, compared to a 2009 baseline</td>
<td>-48%</td>
</tr>
<tr>
<td></td>
<td>Energy consumption</td>
<td>-28%</td>
<td>-32%</td>
<td>75% reduction by 2035, compared to a 2009 baseline</td>
<td>-34%</td>
</tr>
<tr>
<td></td>
<td>Total water consumption</td>
<td>-23%</td>
<td>-29%</td>
<td>50% reduction by 2035, compared to a 2012 baseline</td>
<td>-34%</td>
</tr>
<tr>
<td></td>
<td>LEED® square footage</td>
<td>15%</td>
<td>18%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ENERGY STAR® certifications</td>
<td>155</td>
<td>205</td>
<td>205</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Internal paper consumption</td>
<td>-15%</td>
<td>-15%</td>
<td>Year-over-year decrease</td>
<td>-11%</td>
</tr>
<tr>
<td></td>
<td>Renewable energy</td>
<td>Not reported</td>
<td>Not reported</td>
<td>Achieve 100% renewable energy by 2025</td>
<td>1%</td>
</tr>
<tr>
<td>CUSTOMER RELATIONS</td>
<td>Customers and prospects surveyed</td>
<td>505,314 customers</td>
<td>577,071 customers</td>
<td>748,483 customers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Average speed of answer</td>
<td>38.9 seconds</td>
<td>76 seconds</td>
<td>Year-over-year decrease</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Client questions addressed on first Customer Care call</td>
<td>90.3%</td>
<td>90.1%</td>
<td>98.4%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total bankers certified as Women’s Business Advocates</td>
<td>1,888</td>
<td>1,629</td>
<td>2,004</td>
<td></td>
</tr>
<tr>
<td>INNOVATION</td>
<td>Percent of customers who use non-branch channels for the majority of their transactions</td>
<td>60%</td>
<td>63%</td>
<td>67%</td>
<td></td>
</tr>
</tbody>
</table>

*Data is accurate as of April 23, 2019, when PNC held its Annual Shareholder Meeting.
### CSR Scorecard

Data current as of December 31, 2018

**Objective: Attracting, Developing and Retaining a Diverse Team**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016</th>
<th>2017</th>
<th>Objectives for 2018 and Beyond</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Attracting, Developing and Retaining a Diverse Team</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of workforce, women</td>
<td>60.4%</td>
<td>59.9%</td>
<td></td>
<td>59.5%</td>
</tr>
<tr>
<td>Percent of people managers, women</td>
<td>49.1%</td>
<td>50%</td>
<td></td>
<td>50%</td>
</tr>
<tr>
<td>Percent of workforce, racial/ethnic minorities</td>
<td>26.8%</td>
<td>27.4%</td>
<td></td>
<td>27.8%</td>
</tr>
<tr>
<td>Percent of people managers, racial/ethnic minorities</td>
<td>18.8%</td>
<td>20%</td>
<td></td>
<td>21%</td>
</tr>
<tr>
<td>Percent of people managers completing Unconscious Bias training</td>
<td>N/A**</td>
<td>8.5%</td>
<td>95% of people managers to complete Unconscious Bias training by end of 2019</td>
<td>43.7%</td>
</tr>
<tr>
<td>Percent of people managers completing Microbehaviors training</td>
<td>N/A**</td>
<td>N/A**</td>
<td>95% of people managers to complete Microbehaviors training by end of 2019</td>
<td>16.3%</td>
</tr>
<tr>
<td>Diversity of early talent development program</td>
<td>56.8%</td>
<td>57.4%</td>
<td>At least 50% of annual hires to PNC’s early career development programs to be made up of diverse*** candidates</td>
<td>57.5%</td>
</tr>
<tr>
<td>Number of veterans hired</td>
<td>354 veterans</td>
<td>366 veterans</td>
<td>Hire at least 1,000 veterans in the three-year period from January 2018 through December 2020</td>
<td>367 veterans</td>
</tr>
<tr>
<td>Voluntary retention rate</td>
<td>79.8%</td>
<td>83.7%</td>
<td></td>
<td>84.2%</td>
</tr>
</tbody>
</table>

**Employee Engagement and Wellness**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016</th>
<th>2017</th>
<th>Objectives for 2018 and Beyond</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>401(k) plan participation</td>
<td>88%</td>
<td>90%</td>
<td></td>
<td>90%</td>
</tr>
<tr>
<td>Total Health Savings Account funds committed</td>
<td>$16.6 million +</td>
<td>$17.8 million +</td>
<td></td>
<td>$27.8 million +</td>
</tr>
<tr>
<td>Value of pension benefits</td>
<td>$102 million</td>
<td>$160 million****</td>
<td></td>
<td>$116 million</td>
</tr>
<tr>
<td>Percent of eligible PNC employees who are members of Employee Business Resource Groups</td>
<td>28%</td>
<td>30%</td>
<td></td>
<td>34%</td>
</tr>
<tr>
<td>Number of Employee Business Resource Group chapters</td>
<td>64</td>
<td>68</td>
<td></td>
<td>81</td>
</tr>
<tr>
<td>Change in employee engagement score</td>
<td>9-point increase year-over-year</td>
<td>7-point increase year-over-year</td>
<td>8-point increase year-over-year</td>
<td></td>
</tr>
<tr>
<td>Total employee training hours</td>
<td>3.2 million hours</td>
<td>3 million hours</td>
<td></td>
<td>3.2 million</td>
</tr>
</tbody>
</table>

**Community Engagement**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016</th>
<th>2017</th>
<th>Objectives for 2018 and Beyond</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philanthropic giving</td>
<td>$72.7 million</td>
<td>$72.1 million</td>
<td>Increase by $1 million each year, using 2017 as a baseline</td>
<td>$77.6 million</td>
</tr>
<tr>
<td>Annual Grow Up Great® employee volunteer hours</td>
<td>79,271 hours</td>
<td>86,600 hours</td>
<td></td>
<td>102,855 hours</td>
</tr>
</tbody>
</table>

**Community Development Banking**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016</th>
<th>2017</th>
<th>Objectives for 2018 and Beyond</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation in PNC financial education programs</td>
<td>More than 199,000 participants</td>
<td>More than 504,000 participants since 2016</td>
<td></td>
<td>More than 692,000 participants since 2016</td>
</tr>
<tr>
<td>Community Reinvestment Act rating</td>
<td>Outstanding</td>
<td>Outstanding</td>
<td></td>
<td>Outstanding</td>
</tr>
<tr>
<td>Microlending to small businesses</td>
<td>$210 million +</td>
<td>$220 million +</td>
<td>Maintain “Outstanding” CRA rating</td>
<td>$235 million +</td>
</tr>
<tr>
<td>Small business loans</td>
<td>$948 million</td>
<td>$1.2 billion</td>
<td></td>
<td>$1.2 billion</td>
</tr>
</tbody>
</table>

**Supplier Diversity**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016</th>
<th>2017</th>
<th>Objectives for 2018 and Beyond</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of eligible spend going to small, diverse and disadvantaged-owned businesses</td>
<td>15%</td>
<td>15.5%</td>
<td></td>
<td>14.8%</td>
</tr>
</tbody>
</table>

---

**Notes:**

- Unconscious Bias training became available as a limited Phase One pilot in 2017. The Phase Two pilot began in 2018, and the training will be fully available to all employees in 2019. PNC’s Microbehaviors course launched in 2018.
- In this instance, “diverse candidates” includes women, veterans, people of color and those with a disability.
- $57 million due to tax reform/one-time investment of $1,500 per employee.
692,000 PARTICIPANTS IN FINANCIAL EDUCATION PROGRAMS SINCE 2016

OUTSTANDING CRA RATING SINCE 1977

$500M EARLY CHILDHOOD EDUCATION INITIATIVE PNC GROW UP GREAT®

$77.6M IN CHARITABLE GIVING

102,855 EMPLOYEE VOLUNTEERISM HOURS FOR PNC GROW UP GREAT®

33% OF PNC’S INDEPENDENT BOARD DIRECTORS ARE WOMEN

48% REDUCTION IN CARBON EMISSIONS SINCE 2009

MORE THAN $23B IN SUSTAINABLE FINANCING SINCE 2016

$2.4B IN RESPONSIBLE INVESTING ASSETS UNDER MANAGEMENT

BEST PLACES TO WORK FOR LGBTQ EQUALITY HUMAN RIGHTS CAMPAIGN (2018)
PNC’s commitment to best serving its employees and communities while reducing its environmental impact has resulted in numerous third-party awards and recognitions.

CSR ACCOLADES

EMPLOYER OF CHOICE
- 50 Most Engaged Workplaces™, Achievers (2018)
- Most Admired for HR, Human Resource Executive magazine (2018)

DIVERSITY & INCLUSION
- Gender-Equality Index (BFGEI), Bloomberg (2018)
- A. Leon Higginbotham Corporate Leadership Award, National Lawyers’ Committee for Civil Rights (2018)
- 100% Score on the Disability Equality Index® (DEI®) Best Places to Work™ (2018)
- 50 Best Companies for Diversity, Black Enterprise magazine (2018)
- Best Companies to Work for Women, Women’s Choice Award® (2018)
- Top Financial Companies, Professional Woman’s Magazine (2018)
- Top 70 Companies for Executive Women, National Association for Female Executives (2018)
- Best Companies for Dads, Working Mother magazine (2018)
- Top Supplier Diversity Programs, Black EOE Journal (2018)
- Top Employer, Black EOE Journal (2018)
- Best of the Best for Top Disability-Friendly Companies, DIVERSEability Magazine (2018)

- Top Financial/Banking Companies, Hispanic Network magazine (2018)
- Top 1000 Company Worldwide for Millennial Women, Mogul (2018)
- Top 50 Employers, CAREERS & the disABLED Magazine (2018)
- Best Companies to Work for Multicultural Women, Women’s Choice Award® (2018)

MILITARY & VETERAN SUPPORT
- Top Veteran Friendly Supplier Diversity Programs, U.S. Veterans Magazine (2018)

COMMUNITY INVESTMENTS
- Outstanding Community Reinvestment Act Rating
- Silver Halo Award, Engage for Good (2018)
- Laurie D. Zelon Pro Bono Award, Pro Bono Institute (2018)

ENVIRONMENTAL SUSTAINABILITY
- 100 Most Sustainable Companies, Barron’s (2018)
- Top Financial/Banking Companies, Hispanic Network magazine (2018)
- Top 1000 Company Worldwide for Millennial Women, Mogul (2018)
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Sustainable Development Goals

Our philosophy, as a Main Street bank, is that we prosper when our employees, customers and communities prosper. This philosophy drives us to strengthen our communities by providing resources that improve education, create stability and enhance well-being. It motivates us to deliver an exceptional client experience while adhering to responsible business practices, and it guides us in building a diverse, inclusive and ethical workplace where all employees can thrive.

While we don’t pretend to have all the answers to society’s most pressing issues, we’re committed to doing our part to help create a better world and life for our stakeholders. This commitment and our Main Street bank philosophy is why the United Nations Sustainable Development Goals (SDGs) are important to PNC. These 17 universal goals tackle what many believe are the greatest threats facing humanity, including poverty, hunger, inequality and climate change.

We believe in the goals’ potential to create meaningful change and are applying our resources in ways that support those SDGs most closely aligned with our CSR priorities. This philosophy drives us to strengthen our communities by providing resources that improve education, create stability and enhance well-being. It motivates us to deliver an exceptional client experience while adhering to responsible business practices, and it guides us in building a diverse, inclusive and ethical workplace where all employees can thrive.

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PNC’s Franchise is one of the Most Attractive in the Industry

National: Asset Management, Corporate & Institutional Banking and Retail Digital Presence (includes AK, HI)

Regional: Asset Management, Corporate & Institutional Banking and Retail Bank Branch Presence

Strategic international offices:
- Canada
- China
- Germany
- United Kingdom

Headquartered in Pittsburgh, Pennsylvania, we are one of the largest diversified financial services companies in the United States. We have businesses engaged in retail banking, including residential mortgage, corporate and institutional banking, and asset management, providing many of our products and services nationally. Our retail branch network is located in markets across the Mid-Atlantic, the Midwest and the Southeast. We also have strategic international offices in four countries outside the U.S.

PNC bankers and financial consultants bring savvy, local knowledge and truly personal service to all of their banking relationships.

Economic Profile

| Economic Value Distributed Amount (in millions for year ended December 31, 2018) |
|---------------------------------|-----------------|
| Revenues                        | $17,132         |
| Operating Costs*               | $3,796          |
| Employee Wages & Benefits      | $5,471          |
| Payments to Providers of Capital | $3,449         |
| Government Payments            | $948            |
| Charitable Giving              | $77             |

* Operating Costs are calculated in accordance with GRI standards.

Management Approach

At PNC, we manage our company for the long term. We are focused on the fundamentals of growing customers, loans, deposits and revenue, and improving profitability, while investing for the future and managing risk, expenses and capital. We continue to invest in our products, markets and brand, and we embrace our commitments to our customers, shareholders and employees and the communities where we do business.

We strive to expand and deepen customer relationships by offering a broad range of deposit, credit, and fee-based products and services. We are focused on delivering those products and services to our customers with the goal of addressing their financial objectives and putting customers’ needs first. Our business model is built on customer loyalty and engagement, understanding our customers’ financial goals, and offering our diverse products and services to help them achieve financial well-being. Our approach is concentrated on organically growing and deepening client relationships across our businesses that meet our risk/return measures.

We are focused on our strategic priorities, which are designed to enhance value over the long term and consist of:

1. Expanding our leading banking franchise to new markets and digital platforms
2. Deepening customer relationships by delivering a superior banking experience and financial solutions
3. Leveraging technology to innovate and enhance products, services, security and processes
BUILD A TALENT-FOCUSED CULTURE

Recruiting, Developing and Retaining Talent ➔
Diversity & Inclusion ➔
Total Rewards ➔
Employee Engagement ➔
Connect with Eastern North Carolina ➔
BUILD A TALENT-FOCUSED CULTURE

Recognizing that our employees are our greatest asset and drive our success, we are focused on recruiting, developing, promoting and retaining talented and engaged team members who deliver exceptional results for our customers. When they deliver for our customers, they deliver for our communities and shareholders as well. Fortunately, we have a talent strategy that puts our employees first and accounts for their unique needs throughout every stage of their relationship with PNC. From the moment an individual applies for a position at our company to the day he or she retires, we want to ensure that we are providing the best experience possible.

Whether an employee is fresh out of college, has 25 years of experience, is a veteran or has a disability, we are committed to creating a workplace and providing resources that support that individual’s personal and professional needs. After all, our employees are our future, and our success as an organization follows their success. Each employee plays a role in helping us best serve our customers, communities and investors. This is why our talent strategy is so critical and why we are working hard every day to build upon our strengths and identify where we can do better. At PNC, we are committed to listening to our employees, addressing their needs as best we can and making changes that positively impact their personal and professional lives.

Below are just a few changes implemented in 2018 to support employees at various levels of the organization.

Developing Strong Leaders

We set the expectations for all PNC managers with our Leadership Standards: Includes Intentionally, Lives the Values, Enables Change, Achieves Results and Develops the Best (I-LEAD). When our managers fulfill these expectations, they grow and so does the company as a whole. In 2018, we introduced the Leadership Standards Development Tool to evaluate our senior managers against eight behaviors linked to the Leadership Standards and to identify managers’ strengths, as well as opportunities for coaching and development.

Managing at PNC, also launched in 2018, helps those joining the organization in a management role, or being promoted into a management role for the first time, be successful from the start. This 90-day program ensures a consistent approach to onboarding managers, giving them access to resources and learning opportunities while setting leadership expectations. Participants are introduced to general management responsibilities, which include embodying our corporate values and culture and supporting employee development and achievement, and the Leadership Standards, which are the critical link between our values and achieving the right business outcomes.

Supporting Career Movement

We are committed to developing our employees, growing their skills and supporting those who want to pursue new opportunities within our company. Managers actively encourage and support this development, and when mid- to executive-level positions become available, our recruiting team and hiring managers work to identify internal candidates with the appropriate skills, talents, competencies and experience.

Among other CSR goals, we aim to have at least 50% of annual hires to PNC’s early career development programs be diverse* candidates.

* In this context, diverse candidates include women, people of color, veterans and individuals who have a disability.

DEVELOPS

the Best

ACHIEVES

Results

ENABLES

Change

LIVES

the Values

Includes Intentionally

Cultivates diverse teams and inclusive workplaces to expand thinking

Lives the Values

Role models our values with transparency and courage

Enables Change

Takes action to drive change and innovation that will transform our business

Achieves Results

Takes personal ownership to deliver results; empowers and trusts others in decision making

Develops the Best

Raises the bar with every talent decision and guides the achievement of all employees and customers
Offering Career Advice
Our Career Advising service offers employees personalized guidance on:
• Searching for career opportunities at PNC
• Growing within their current role
• Preparing for a future role
• Improving a résumé
• Navigating PNC’s systems and resources

Recruiting, Developing and Retaining Talent
As part of our efforts to build a talent-focused culture, we recognize and develop top talent who bring a variety of experiences, skills and perspectives to meet the needs of our growing and increasingly diverse customer base. Our investment in our people includes competitive compensation, generous benefits, opportunities to advance, a diverse and inclusive culture, strong leadership, and recognition of achievements.

Early Career Programs
PNC’s early career programs are a critical component of our overall talent strategy. Our 10-week internship program, for example, brings nearly 500 undergraduate students into the company every summer to apply their academic knowledge while learning about the financial services industry. About 74% of our interns subsequently receive an offer of full-time employment, including placement in our Early Career Development Programs, and approximately 75% of these offers are accepted.

PNC’s Early Career Development Programs expose recent graduates to one of nine business areas, where they learn, network and develop professionally. As they rotate through different business units and functions, analysts and associates receive hands-on experience that prepares them for placement into established roles. As of December 31, 2018, we had 626 development program associates, 42% of whom began as interns.

It’s a win–win situation. We have the opportunity to build a pipeline of diverse, emerging talent, and those who accept an offer of employment after graduation gain hands-on experience in preparation for job placement at PNC.

Women in Business and LEAD Business Summits
Two additional early career programs that we offer are the annual Women in Business and Leadership & Education for Advancing Diversity (LEAD) Summits. These summits raise awareness of our company’s culture and leadership, as well as career opportunities in the financial services industry.

The Women in Business Summit attracts hundreds of female applicants, 50 of whom receive an invitation to visit Pittsburgh for a day of networking, mentoring, case studies and employee presentations. During the day, they learn about career opportunities they may not have been aware of — such as positions in Technology & Innovation, Marketing and Human Resources. In turn, we have the chance to meet those who may be strong candidates for our internship and development programs.

The LEAD Summit convenes 60 diverse students, selected from approximately 300 applicants, at our corporate headquarters in Pittsburgh for a day of resume building, one-on-one mentoring, panel discussions with PNC executives and mock client exercises. Another 50 students participate in our LEAD Summit in Washington, D.C.

LEAD offers information that helps prepare students for their future careers while promoting banking as an industry of interest and PNC as an employer of choice. It also gives us the chance to meet and begin building relationships with potential applicants for our summer internship program.

PNC University
Equally important to recruiting top talent is developing and advancing talent. Through PNC University, we offer our employees more than 9,500 learning and development opportunities, both in the classroom and online. In 2018, our employees completed 3.2 million hours of training and education.

Our educational offerings:
• Align with our Leadership Standards and goals/priorities for our different lines of business
• Address different learning preferences
• Enable employees to grow in their current roles while preparing for future roles
• Allow managers to help guide employee learning opportunities

A Strong Culture of Employee Management
While we invest heavily in developing our employees and positioning them for success, none of that would matter if we didn’t also hold our employees accountable for doing what’s right and keeping our customers at the center of all that we do. To ensure that employees excel in their roles and uphold PNC’s corporate values, we provide ongoing feedback and coaching, as well as conduct regular performance discussions. During their 2018 mid-year
and year-end reviews, employees received feedback from their managers and were rated on how well they met their Customer Focus and Risk goals, as well as goals specific to their business objectives.

In addition, the company’s 800 most senior managers are assessed against a Leadership Standards goal, and had the opportunity to receive feedback from their direct reports, peers and internal partners. In 2019, all people managers will have the opportunity to receive this feedback. It’s an approach that reinforces leadership accountability by providing a broader view of each manager’s strengths and areas for development.

**Turnover**

Our efforts to recruit, develop and retain the right talent have resulted in decreased voluntary turnover. We saw a significant decrease in turnover rates from 2016 to 2017 and continued that momentum in 2018, with new hire turnover decreasing by 0.7%, top talent turnover decreasing by 0.3% and overall turnover decreasing by 0.5% compared to 2017.

**Diversity & Inclusion**

At PNC, diversity & inclusion is among our corporate values and an integral part of our talent and leadership development strategy. Talent and diversity & inclusion go hand in hand because we believe that the highest-performing teams are diverse and the most productive workplaces are inclusive. We also know that to most effectively compete in the market, our company must reflect our increasingly diverse customer base.

“To be best in class, we must intentionally live our values and translate them into action.”

> Tim Millett
PNC Deputy General Counsel, Employment

**WORKFORCE**

Every day, we focus on attracting, developing and retaining a diverse workforce that reflects, and is equipped to meet, the needs of our diverse customer base.

**Employees with Disabilities**

Our commitment to supporting employees with disabilities can be seen through our disability inclusion policies and practices, which earned us a score of 100% on the U.S. Business Leadership Network/American Association of People with Disabilities’ 2018 Disability Equality Index. In 2018, we enhanced this commitment with several key initiatives.

**Working Together to Create a More Accessible Bank**

Greg Pollock, PNC’s first accessibility officer, joined the company in 2018. Since then, he has partnered with colleagues across the organization to develop an accessibility strategy that considers every aspect of our operations. Greg has represented PNC at disability inclusion conferences and panels, including the 2018 U.S. Chamber of Commerce Corporate Citizenship Conference, and he serves on Disability:IN’s Global Roundtable.

“We need to make sure employees with disabilities know that PNC values their individual expertise,” Greg says. There’s a broad range of disabilities, and no one individual can truly understand the specific needs of each one. To that end, “it’s important that we hire people from diverse backgrounds and leverage each individual’s unique differences and perspectives to strengthen our company.”

Like many large organizations, we comply with the Americans with Disabilities Act (ADA), which prohibits discrimination against individuals with disabilities. In practice, this means having accessible options, such as buildings with compliant wheelchair ramps and elevators, and screen readers for computers.

“While ADA compliance is important, it is the minimum standard, a passing grade,” Greg says. “We want to go beyond compliance to take a more strategic and proactive approach to accessibility and inclusion. Rather than retrofitting a building or website to meet accommodation requests, we want to get to a place where we’re anticipating the needs of our employees and customers at the point of inception.

“From our technologies to our employee benefits to our recruitment strategies, the opportunities to realize full disability inclusion are vast,” he adds.

More information about how we serve our customers with a disability can be found at www.pnc.com/diversecustomers.

**Enhancing Accessibility**

- Seventy-five employees from across our company gathered for Access PNC, a two-day summit on accessibility.
- Our Employee Assistance Program and wellness provider, Guidance Resources, added valuable offerings, including educational apps related to special needs, and on-demand training and guidance for individuals with disabilities and their caregivers.

“From our technologies to our employee benefits to our recruitment strategies, the opportunities to realize full disability inclusion are vast.”

> Greg Pollock
PNC Accessibility Officer
By the end of the 2018 pilot, participants were significantly more aware of gender equity issues and likely to take action to intentionally support gender equity. They reported that:

- They know specific actions they can take to support gender equity and make a difference at PNC.
- They are aware of common challenges that women face in the workplace.
- They are aware of how their gender shapes their perspectives and behaviors.
- It’s now easier for them to spot gender inequities in the workplace.

We plan to expand the program in 2019.

Military

Active military, guard, reservists and veterans bring unique competencies, values, leadership and experience to the workplace. A number of programs and initiatives help demonstrate our commitment to attracting and retaining these individuals.

- Our partnerships with American Corporate Partners and The Honor Foundation pair our employees with veterans for mentoring in finance, wealth management, technology and operations, and retail banking.
- Our partnerships with organizations such as RecruitMilitary and Military Officer Job Opportunities help connect us with and attract military talent.

PNC ENABLE

PNC ENABLE is a virtual Employee Business Resource Group (EBRG) dedicated to disability inclusion, awareness and advocacy. During National Disability Employment Awareness Month, the group hosted a company-wide summit, as well as a mentoring day at our corporate headquarters that welcomed high school students with disabilities.

Within PNC ENABLE, sub-groups offer resources for specific disabilities and conditions: ADHD, autism, hidden disabilities, physical disabilities, visual disabilities and hearing disabilities. Sub-groups share information, promote awareness and offer feedback to PNC Realty Services and Technology & Innovation on how changes to workplace physical environments and technology impact their members. This feedback has led to improved workspace configurations, among other changes that better support employees with a disability.

Women

The percentage of women occupying first-, mid- and senior-level roles at PNC has steadily increased since 2015. Specifically, first-level representation has increased from 51% to 53%, mid-level representation has increased from 36% to 38%, and senior-level representation has increased from 18% to 23%.

Furthermore, 60% of our total workforce, 52% of managers and 21% of corporate executives are women. Women also make up 33% of our Board of Directors, which is well above the national average among Fortune 500 companies. While proud of our progress, we know that we have work to do and are particularly motivated to increase the percentage of women in senior roles. Among others, we offer the resources below to help engage and develop women and provide them with opportunities to advance their careers.

- **Women Connect Employee Business Resource Group (EBRG)** gives female employees opportunities to grow both personally and professionally through networking, mentoring, workshops, speaker series, community engagement and other events.
- **Women’s Leadership Development program** provides 90 nominated female employees each year with the opportunity to network with senior leaders and advocates over a period of four months. Participants rotate through assignments that are outside their regular role at the company.

**Men as Allies**

From senior leadership to front-line employees, we believe that everyone at PNC can be an ally for women in the workplace. Launched as a pilot program in January 2018, Men as Allies equips men at PNC with tools and resources to recognize and overcome any unconscious bias they may have and actively take a role as allies and mentors for women in the workplace. We based the program on the Forté Foundation’s successful business school–focused Men as Allies program, redesigning and adapting it for the corporate environment.

Three groups participated in the pilot:

- The Kansas City chapter of PNC’s Women Connect EBRG
- The Chicago chapter of PNC’s Women Connect EBRG
- PNC Legal’s Diversity & Inclusion Council

Once every six weeks throughout the year, the 45 program participants focused on building self-awareness, increasing gender acumen and applying best practices for mentoring and professional relationships, including how to address potential challenges.
Diversity & Inclusion

BUILD A TALENT-FOCUSED CULTURE

The Military Advisory Council, which consists of executives from across the company, the Military EBRG and a dedicated Talent Acquisition team, guides veterans throughout the hiring process and their careers. In 2017, we committed to hiring 1,000 veterans from 2018 through 2020. As a result of our ongoing efforts and resources, we are on track to meet this goal.

Military Leave
We fully support our employees who have obligations to the armed forces. Our policies comply with all provisions of the Uniformed Service Employment and Re-Employment Rights Act (USERRA), and we provide time off and job protection to eligible employees as specified in USERRA guidelines. Job protection for eligible military leaves is approved for up to a cumulative maximum of five years while the individual is employed by PNC. Benefits and pay may also continue for a period of time, as outlined by the leave policy. Additionally, we provide unpaid, job-protected Family and Medical Leave to eligible employees whose spouse, domestic partner, son, daughter or parent is on or called to active duty in support of a contingency operation as a member of the National Guard or Reserves, or is recovering from a serious injury or illness sustained while on active duty.

LGBTQ+
For the sixth consecutive year, we were honored to be named among the Best Places to Work for LGBTQ Equality by the Human Rights Campaign (HRC). With a perfect score on the HRC’s 2018 Corporate Equality Index, we earned top ratings on criteria related to policies and benefits for our LGBTQ+ workforce and their families.

People of Color
We are committed to expanding career opportunities for people of color. Our related initiatives and programs include:

• African American, Asian American, Hispanic and Multicultural Employee Business Resource Groups that provide opportunities for members to network, learn from one another, and develop personally and professionally.
• Annual LEAD Summit and relationships with Historically Black Colleges and Universities (HBCUs), including Howard University, Hampton University, Florida A&M University, Morehouse College, Clark-Atlanta University, Spelman College and North Carolina Central University.
• Partnerships with diversity-focused organizations, including the Association of Latino Professionals For America (ALPFA), National Association of Black Accountants, Forté Foundation, National Black MBA Association, Prospanica and Vibrant Pittsburgh.
• Sponsorship of the Women of Association of Latino Professionals For America National Workshop, which teaches more than 200 Latinas each year about the importance of mentorship in career success. At the 2018 event’s job fair, we conducted more than 30 interviews with professional and college-age Latinas, resulting in numerous job offers.
• Founding co-sponsor of and participant in the Executive Leadership Academy, a program of The Advanced Leadership Initiative at Carnegie Mellon University. This executive development program prepares African American executives to contribute to their organizations and communities at the highest levels.
• Partnership with the Hispanic Association on Corporate Responsibility (HACR), which recognizes 35 to 40 employees of Fortune 500 and/or HACR corporate member companies each year for achievement in their chosen profession and outstanding community involvement. In 2018, our eight HACR Young Hispanic Corporate Achiever alumni presented a cultural awareness and work–life balance program during Hispanic Heritage Month.
WORKPLACE

We invest in our employees’ development but must also foster an inclusive environment in which they can thrive. Creating a workplace where everyone feels respected, trusted and empowered isn’t easy but it is critical if we want to operate at the highest levels. Such a workplace fuels creativity and provides employees with a sense of pride.

Equal Employment Opportunity

It is PNC’s policy to provide equal employment opportunity without regard to race, color, religion, national origin, gender, sexual orientation, gender identity or expression, age, disability, veteran status, or any other basis protected by law. All aspects of our employment practices, including recruitment, selection, hiring, training, transfer, promotion, corrective action, compensation and benefits, conform to this policy. In addition, we go beyond legal requirements where appropriate to ensure that our decisions and actions reflect our corporate values.

While PNC does not publicly disclose incidents of alleged discrimination or related corrective action, which we consider to be confidential and proprietary, we do not permit, condone or tolerate unlawful discrimination, bias or harassment and take prompt corrective action to ensure a respectful workplace.

Our corporate values include a commitment to diversity & inclusion, and all employees are expected to conduct themselves in a way that respects and values our differences. In alignment with our commitment to providing an inclusive and welcoming environment for all applicants, employees, contractors, vendors and clients, we make training, seminars and workshops available to all employees on the following topics:

- (dis)Ability awareness
- Inclusive language
- Inclusive onboarding
- LGBTQ+ inclusion
- Leveraging a diverse team
- Managing generational differences
- Religious expression in the workplace
- Our non-discrimination policy is available at www.pnc.com/nondiscrimination

Line of Business Councils

Our 15 Line of Business (LOB) Diversity & Inclusion (D&I) Councils focus on enhancing employee recruitment, engagement and development, and supporting our managers’ development as inclusive leaders. All employees within a business or staff function are encouraged to participate in their council’s programs. In 2018, the Customer Care Center LOB D&I Council made it a priority to grow representation of females and people of color in leadership roles across the Care Center. As a result, from 2017 to 2018, the hiring of people of color increased by 4% at the entry level and 2% at the mid-level. Women hired into entry-level positions increased by 2%.

EBRG Mentoring Program

Employees throughout PNC who participate in our EBRGs have access to a mentoring program that provides professional and personal development and support. The program has had a significant impact on our employees’ growth, development and engagement by helping them navigate the organization, learn from the experiences of others and connect with leadership.

Unconscious Bias and Microbehaviors Training

We are committed to ensuring that people are in the right roles and have the opportunity to thrive in a workplace that values diverse talent. At the same time, we recognize that challenges, including unconscious bias and microbehaviors (small, subtle behaviors that can have great impact on people’s feelings) exist and can impact both engagement and performance.

To help create awareness of both unconscious bias and microbehaviors, we offer a learning curriculum that equips participants to:

Diversity & Inclusion

WORKFORCE DIVERSITY

<table>
<thead>
<tr>
<th>EMPLOYEE CATEGORY</th>
<th>WOMEN</th>
<th>MEN</th>
<th>WHITE</th>
<th>PEOPLE OF COLOR</th>
<th>BLACK / AFRICAN AMERICAN</th>
<th>HISPANIC / LATINO</th>
<th>ASIAN</th>
<th>AMERICAN INDIAN</th>
<th>HAWAIIAN / PACIFIC ISLANDER</th>
<th>TWO OR MORE RACES</th>
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<tbody>
<tr>
<td>Executive / Senior-Level Managers</td>
<td>31.4%</td>
<td>68.6%</td>
<td>86.7%</td>
<td>13.3%</td>
<td>3.6%</td>
<td>2.3%</td>
<td>6.5%</td>
<td>0.3%</td>
<td>0.1%</td>
<td>0.6%</td>
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<tr>
<td>First- / Mid-Level Managers</td>
<td>55.4%</td>
<td>44.6%</td>
<td>76.8%</td>
<td>23.2%</td>
<td>11.0%</td>
<td>5.6%</td>
<td>4.9%</td>
<td>0.2%</td>
<td>0.1%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Professional</td>
<td>46.3%</td>
<td>53.7%</td>
<td>81.2%</td>
<td>18.8%</td>
<td>7.5%</td>
<td>3.3%</td>
<td>6.5%</td>
<td>0.2%</td>
<td>0.1%</td>
<td>1.2%</td>
</tr>
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<td>All Other</td>
<td>73.7%</td>
<td>26.3%</td>
<td>62.3%</td>
<td>37.7%</td>
<td>20.4%</td>
<td>9.2%</td>
<td>5.0%</td>
<td>0.3%</td>
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<td>Full-Time</td>
<td>58.5%</td>
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<td>–</td>
<td>–</td>
<td>–</td>
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</tr>
<tr>
<td>Part-Time</td>
<td>82.1%</td>
<td>17.9%</td>
<td>–</td>
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<tr>
<td>PNC Total Workforce</td>
<td>59.5%</td>
<td>40.5%</td>
<td>72.2%</td>
<td>27.8%</td>
<td>13.7%</td>
<td>6.3%</td>
<td>5.6%</td>
<td>0.2%</td>
<td>0.1%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

*Data reflects our workforce as of December 31, 2018.
WE AIM TO HAVE

95%
of people managers complete
Unconscious Bias and Microbehaviors training by the end of 2019.

MARKETPLACE
To be the bank of choice, we need to understand each community’s diverse needs. In 2018, several initiatives helped us do just that.

Regional Diversity & Inclusion Councils
Our 34 Regional D&I Councils identify and act on business opportunities that result from changing community demographics. These councils work closely with employees, customers, community members and suppliers to ensure that we are best serving our increasingly diverse neighborhoods.

- The Greater Maryland D&I Council, in partnership with PNC’s Supplier Diversity Program, helps attract diverse suppliers to PNC’s supplier diversity portal. Since establishing this partnership, PNC has added 65 new businesses to the portal, gained more than 40 new banking relationships with diverse suppliers, and engaged more than 600 small businesses.
- The Philadelphia and Southern New Jersey Regional D&I Council launched numerous initiatives in its inaugural year, including PNC Financial Wellness Day. On October 24, the council coordinated workshops in branches and other locations throughout the community to conduct more than 200 financial wellness appointments.
- In Ohio, we joined Ohio Business Competes, a nonpartisan coalition of businesses committed to achieving LGBTQ-inclusive non-discrimination policies at the state level. This coalition is focused on attracting the best talent, increasing business-to-business and business-to-consumer relationships, and growing Ohio’s economy.
- In Florida, we sponsored the Southern Comfort Transgender Conference and the South Florida Transgender Medical Conference, in coordination with PNC Healthcare Banking and the market’s Regional D&I Council.

Total Rewards
In addition to developing employees and providing them with an inclusive workplace, we are committed to supporting them through competitive benefits and compensation. We design our compensation and benefits programs to focus on three key areas: health, money and quality of life. These programs encourage the well-being of every employee, regardless of their role within the company.

In 2018, we showed our employees that we value and appreciate them by:
- Introducing an annual $2,000 minimum earnings credit for eligible participants in our defined benefit pension plan, resulting in an increase in pension credits for about 25,000 employees. This latest pension update is consistent with other enhancements we’ve made in recent years to help employees prepare for a more secure retirement.
- Absorbing the full annual increase for medical coverage in 2018 so that the amount of employees’ per-pay contribution did not change, despite rising healthcare costs. We also added behavioral health and dermatology to the telemedicine benefit, which offers access to healthcare by phone or video.
- Increasing our salary-based contribution to eligible employees’ Health Savings Accounts (HSAs) and making it easier for employees to begin earning additional HSA contributions in the form of wellness credits. In all, we provided more than $27 million to employees’ HSAs in 2018, and nearly 60% of employees took action to earn wellness credits through the Wellness Incentive Program.
- Initiating a mental health awareness and education campaign to help support the emotional well-being of our employees. PNC Chairman, President and CEO Bill Demchak led the way with an internal blog post that reinforced our commitment to help break through the stigma that surrounds mental health.
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- Initiating a mental health awareness and education campaign to help support the emotional well-being of our employees. PNC Chairman, President and CEO Bill Demchak led the way with an internal blog post that reinforced our commitment to help break through the stigma that surrounds mental health.

In recognition of 2018 company performance and in support of those employees who need it the most, we made a one-time $1,000 pension credit to pension accounts of employees who are generally not eligible for incentive compensation.
These changes, combined with our competitive compensation and benefits package, enable us to attract, grow and
Employee Engagement

Our employees work hard to ensure PNC’s success. Acknowledging those contributions in meaningful ways is critical to creating a workplace where employees are engaged, productive and happy. Recognition in 2018 included:

- Honoring eight employees during our 26th Annual Performance Awards ceremony, a live-streamed event that recognizes a group of peer-nominated employees selected through a months-long evaluation and scoring process.
- Inducting more than 400 employees into our Quarter Century Club, which recognizes those who have 25 years of service with the company. In 2018, one of our largest inductee classes in recent history joined more than 4,200 others who are already part of the Quarter Century Club.
- Distributing millions of recognition messages and award points through Spotlight, our employee recognition program. The Thanksgiving-themed #ThankfulThursdays increased the number of recognition messages by 40% over the previous November.

Matching Gifts
We support employees’ philanthropy by matching their charitable contributions dollar-for-dollar, up to $2,500 per year. All active full-time employees are eligible, and contributions can be matched to educational institutions, cultural organizations and human services organizations, as defined and approved by the PNC Foundation Matching Gift Program.

Employee Volunteerism
We encourage employees to become involved in the Grow Up Great program by offering 40 hours of paid time off per year in support of early childhood education. In addition, the Grants for Great Hours program allows a PNC employee who volunteers at least 40 hours over a 12-month period at a qualified, early education nonprofit to donate a $1,000 grant to that nonprofit. Groups of employees may volunteer as a team and apply for a grant of up to $3,000. From the program’s inception, 67,991 employees have volunteered more than 850,000 hours, earning more than $6.6 million in grants and donating 1.3 million items, including books, school supplies and other needed items.

Employees and managers who recognize one another for doing great work earn points toward the purchase of iPads for Grow Up Great organizations. Since the inception of #GreatKids in 2015, more than 1,000 iPads have been earned and donated. Employees participate in the delivery of the iPads and often lend their technology expertise as well.

Our employees also serve on community boards and committees to share their skills in areas ranging from data analysis to strategic planning. According to community partners, our employees provide highly valued support to those who need it most.

Measuring Engagement
Employees who are highly engaged in their role and with their company are more likely to advocate for the company’s brands and products and, in turn, drive greater customer loyalty. In 2018, we moved to a twice-yearly employee engagement survey that goes to all employees at the same time. While the metric for employee engagement is the Net Promoter Score (NPS), we gain even greater insight from the voluntary comments included in the survey. These comments are used in team discussions to identify both successes and opportunities for improvement.

PNC’s Eastern Carolinas market is forging deep connections with its community. By crafting impactful partnerships with local nonprofits and investing its resources in strategic ways, PNC is providing its neighbors with Main Street access to financial education, cultural experiences, career development opportunities and more.

Advocating for strong early education policies
Nearly 24% of children in North Carolina are living in poverty, and 57% of children ages three and four are not enrolled in preschool. The First Advocates Project — an innovative parent training program designed by the National Head Start Association (NHSA) in partnership with PNC Grow Up Great — tackles this issue by identifying and recruiting capable parent ambassadors, providing them with a series of in-depth advocacy trainings and empowering them to play a critical role in North Carolina’s advocacy efforts for quality early education.

PNC executives are also directly involved in advocating for strong early education policies by participating in key conferences and meetings, and by engaging in conversations with state and local leaders to promote the importance of early childhood education.
PNC Eastern Carolinas employees have volunteered more than 13,000 hours and donated more than 20,000 items to Grow Up Great initiatives since PNC entered the market in 2012.

Since 2014, Ruby Altizer, Board of Directors Administrator, has volunteered for the North Carolina Museum of Natural Sciences in the Early Childhood Discovery Room and Outdoor Nature Playspace. Ruby has contributed over 600 volunteer hours and earned $14,000 for the museum through the PNC Grow Up Great Grants for Great Hours program. She also earned the Governor’s Award for Volunteer Service for her tremendous efforts at the museum.

Connecting children to the arts
For six years, PNC has partnered with the North Carolina Symphony to deliver preschool music education, impacting more than 18,000 children in underserved areas of the state — including some of the state’s most rural counties where access to classical music is extremely limited. The Music Discovery Program connects children with music through literature, hands-on experiences with child-sized instruments and engagement with professional musicians. Symphony musicians read music-oriented books to children, matching the book to the instruments they play. More than 30 Music Discovery events take place at libraries, community centers and Head Start schools each year.

Connecting female HBCU college students to careers
The Eastern Carolinas market has deep relationships with its local Historically Black Colleges and Universities (HBCUs) and partners with them on a number of initiatives. One example — the Ladies Soaring to EAGLE Promise program — is a joint effort of the Durham Chapter of Links and North Carolina Central University. The program provides mentorship, professional career counseling and development for freshman and first-generation college women. PNC also provides financial education and funding for book stipends and additional development opportunities.

Supporting veterans
In October 2018, more than 30 PNC Eastern Carolinas employees converged on a house in Stantonburg, N.C., for two days, clearing brush, pulling weeds and planting trees to make the house look as beautiful and welcoming as possible for a very special family: Former Master Sgt. Michael Levine, his wife, Jenna, and son, Ryan. PNC and the Military Warriors Support Foundation donated the four-bedroom, two-bath house to Levine, who was wounded during his second tour of Iraq in 2005. Levine is a 24-year veteran of the U.S. Army and the Iowa Army National Guard. He received the Purple Heart and many other commendations for his service.

“We have our freedom today because of your sacrifice and your family’s sacrifice,” said Jim Hansen, PNC regional president of Eastern Carolinas, in opening remarks. “Welcome home.”

Recovering from natural disaster
On September 14, 2018, Hurricane Florence made landfall along the coast of North Carolina as a Category 1 hurricane. Torrential rainfall over eastern North Carolina caused devastating flooding. The damage to the Carolinas ranged from $17 billion to $22 billion and impacted hundreds of thousands of people, including PNC customers and employees.

The PNC Foundation donated $500,000 to disaster relief efforts in the market:
• $250,000 to the American Red Cross
• $100,000 to the Carolina Small Business Development Fund to help small businesses rebuild in the FEMA-designated areas of Carteret, Columbus, Craven, Cumberland, New Hanover, Pamlico, Pender and Robeson counties
• $100,000 to FAST NC through Communities in Schools of North Carolina for aid to help replace books, media equipment and other needs for students and teachers
• $25,000 to University of North Carolina Wilmington for emergency relief for students and faculty
• $25,000 to University of North Carolina at Pembroke for emergency relief for faculty

The PNC Foundation also matched PNC employee contributions to the American Red Cross, waived ATM fees and dispatched three mobile banking units to impacted communities to assist customers in the storm’s aftermath.

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STRENGTHEN OUR COMMUNITIES

The PNC Foundation

PNC Grow Up Great®

Financial Education

Community Development Banking

Supplier Diversity

Connect with Pittsburgh
STRENGTHEN OUR COMMUNITIES

As a Main Street bank, we believe that being a part of the community is about more than our physical location. We take pride in how we relate to and serve our employees, customers and communities, as these relationships are at the heart of our business model. For this reason, among others, being a good partner in each of the neighborhoods we serve is vital. This means listening to our communities so that we can better understand and support their needs, and developing strong relationships with organizations focused on early childhood education, community development, the arts and culture, and health and human services.

Recognizing the importance of our support, we are committed to making business decisions that positively impact our communities. After all, we recognize that we are only as strong as our communities and that when our communities prosper, so does PNC.

Of course, the corollary is also true in that a strong regional bank, such as PNC, can support its communities through job creation, local infrastructure, small business loans, financial education and sponsorships. These financial services, together with philanthropic giving and volunteerism, create a series of benefits that strengthen communities.

The PNC Foundation

One of the greatest resources that allows us to positively impact our communities is the PNC Foundation, through which we actively support nonprofit organizations that enhance education, with an emphasis on early childhood education, and support the arts, as well as community and economic development. These areas define our philanthropic priorities and drive our community involvement.

As a Main Street bank, PNC takes pride in being an active member of the communities we serve. Community involvement is at the heart of our civic engagement and an extension of our commitment to look out for the best interests of all of our stakeholders. At the center of PNC’s community involvement is the PNC Foundation.

Through the PNC Foundation, PNC works with high-quality community-based nonprofit organizations to understand and address issues that best align with our philanthropic priorities of early childhood education and community and economic development.

PNC Charitable Giving

In 2017, we made a commitment to invest $375 million in charitable giving over the next five years, and in 2018, we invested $77 million of that commitment into our communities through both sponsorships and PNC Foundation grants.

PNC Grow Up Great®

PNC Grow Up Great® is our signature philanthropic program that represents so much of what we believe in, including the opportunity for everyone to live their best lives from the very beginning. A bilingual program that supports education for children from birth to age five, Grow Up Great was founded in 2004 to enhance learning and development during a child’s critical first years and to specifically support low- to moderate-income families.

In 2018, we supported our communities with $77M in charitable giving.
In 2019, we’re excited to celebrate the 15th anniversary of PNC Grow Up Great and to expand the program by $150 million. The program supports high-quality early learning for young children and is now a $500 million initiative benefiting 40 markets.

$6.6M IN GRANTS FOR GREAT HOURS

850,000 PNC EMPLOYEE VOLUNTEER HOURS

4.5M CHILDREN IMPACTED NATIONWIDE

1.3M DONATED ITEMS, INCLUDING BOOKS, COATS, HATS AND GLOVES

$500M EARLY CHILDHOOD EDUCATION PROGRAM

Our commitment runs deep. In 2018 alone, the PNC Foundation awarded nearly $18 million in grants and our employees volunteered more than 100,000 hours to support Grow Up Great.

**Equipping Classrooms**

In 2018, our work with DonorsChoose.org focused on four initiatives:

**Match Funding**

During the spring and fall, PNC matched donations that supported public pre-K and Head Start teachers’ project requests in the communities we serve, dollar for dollar. Head Start programs promote school readiness and positive development outcomes for young children and their low-income families.

**Teacher Gift Cards**

Every public pre-K and Head Start teacher in one of our communities who submitted a preschool project request on DonorsChoose.org between April 2017 and April 2018 received a $100 electronic gift card. More than 3,700 gift cards were distributed.

**PNC Volunteer Gift Cards**

PNC gave every employee who volunteered for Grow Up Great in 2017 (approximately 17,000) a $50 electronic gift card in 2018 to support pre-K project requests on DonorsChoose.org.

We offer our employees up to 40 hours of paid time off each year to volunteer in support of early childhood education. Employee volunteers share their skills and talents and are able to earn grants for partner organizations.
personal care bags for homeless shelters, and made toys for shelter animals. Most importantly, they learned that you’re never too young to show how much you care.

Bringing Families Together for Learning Adventures

Grow Up Great’s traveling exhibit, the Mobile Learning Adventure (MLA), has been on the road since 2007. In 2018, the MLA made 173 stops, welcoming more than 39,000 visitors, including 19,000 young children. Each stop brings children and their parents/caregivers together for fun activities designed around the theme of dreams and goals and begins with families receiving a Passport Booklet to guide them on a journey through four activity stations:

• The Making Choices Disc Run is a fun, interactive experience that uses discs, levers and tracks to help parents/caregivers teach their children about “wants” vs. “needs” as a foundation for making good financial choices.

• At the When I Grow Up Photo Station, children dress up as a professional of their choice and have their images superimposed on a background that depicts that choice, such as an astronaut, chef, doctor, firefighter, teacher or scientist. Children receive a souvenir photo in a Grow Up Great frame.

• In the Craft Area, children draw various shapes using a stencil and an activity sheet.

• The Story Telling Tree encourages children to complete the statement, “When I grow up, I want to be _____ because _____” by writing on a leaf that is then attached to the tree. Parents/caregivers are encouraged to continue talking with their children about these aspirations.

Once each activity is complete, children receive an achievement badge sticker for their passport. At the conclusion of the adventure, families receive a Grow Up Great tote bag filled with activities and information to inspire them to continue turning everyday moments into learning opportunities.

We were honored in 2018 to recognize Saphronie Harrell, of Oxon Hill, Maryland, as one of our Teacher Heroes. After her pre-K students were dismissed for the day, Ms. Harrell and her fellow pre-K teachers at Barnaby Manor Elementary School were asked to meet with the school’s principal. When a PNC team arrived bearing balloons, flowers and gifts, Ms. Harrell’s surprise turned to tears when she learned that she’d been selected as a PNC Grow Up Great/DonorsChoose.org Teacher Hero and would have the materials she needed to continue inspiring and encouraging young learners.

Stacey Collins, assistant director of PNC Client & Community Relations, surprises pre-K teacher Saphronie Harrell by naming her a PNC Grow Up Great/DonorsChoose.org “Teacher Hero,” and presenting her with DonorsChoose.org gift cards totaling $4,000.

PNC was named Engage for Good’s 2018 Halo Award Winner in the Education Category.
Financial Education

As a Main Street bank, we are invested in our customers’, communities’ and employees’ financial well-being. Believing that taking simple steps today can make all the difference in one’s future, we devote significant energy and expertise to ensure that we are delivering the most relevant insights and resources when and where our stakeholders need them.

Here are a few examples of what we’re doing to promote financial literacy:

- **Financial Education**
  - **PNC Point of View**
    This website (www.pnc.com/pov) offers resources, perspectives and insights that range from preventing theft of your child’s identity to the steps to take if you inherit a retirement account. In 2018, we published 53 articles with financial advice and educational tips that not only reached a large audience on our website but were also widely distributed across social media and other news channels.
  - **Foundations of Money Management**
    This online banking essentials course is tailored for those who are entering or re-entering the banking system. In 2018, 8,200 people completed the course.
  - **Homebuyer Education Program (HEP)**
    In partnership with the PNC Foundation, PNC Community Development Banking provides grants to U.S. Department of Housing and Urban Development (HUD) approved housing counseling agencies that offer homebuyer education. PNC employees work with these agencies to host courses that cover the many steps to buying a home, from estimating monthly payments to shopping for and purchasing a home.
  - **In-Person Seminars**
    Our financial advisors regularly present seminars that are focused on different life stages and financial goals:
    - **Five Threats to Your Retirement:** Identifies the primary threats to a successful retirement and the actions you can take to help overcome them.
    - **Retirement Planning:** Helps you achieve your vision of retirement.
    - **Retirement Income Planning:** Transitioning from Accumulation to Distribution: Helps you plan for sustainable income in retirement.
    - **The Role of Insurance in Your Financial Plan:** Outlines the roles insurance can play in your financial plans, including retirement planning, protection planning, legacy planning, funding long-term care and more.
    - **Overcoming the Challenges of Market Volatility:** Offers insight into market volatility and strategies to help limit the impact on your portfolio.
    - **The Role of Social Security in Your Retirement Income Strategy:** Provides insight into the role Social Security can play in your retirement income planning.
    - **Understanding the Impact of Rising Interest Rates on Your Portfolio:** Discusses the ways rising interest rates can impact your portfolio and actions you can take to help minimize them.
    - **What To Do with Your Old 401(k) or Other Retirement Plan:** Presents the options for a 401(k) account from a former employer and weighs the pros and cons of each option.
  - **Women, Finances and Investing:** Smart Financial Strategies for Every Stage of Life: Addresses the unique financial issues women can face in each stage of their lives.
  - **FDIC Workshops:** Through our partnership with the Federal Deposit Insurance Corporation (FDIC), PNC offers various workshops to help equip customers with the resources they need to make informed financial decisions:
    - **FDIC Bank On It:** outlines available banking services and how you can build a positive relationship with a financial institution.
    - **FDIC Money Matters:** provides tools and guidance to help you prepare a personal spending plan and decrease your spending.
    - **FDIC Pay Yourself First:** focuses on how you can increase your savings to meet your financial goals.

- **PNC My Finance Academy**
  (www.pnc.com/myfinanceacademy)
  We launched this tool last year when research showed us that students want to learn money management skills from their financial institution nearly as much as their parents do. Schools were also asking us for financial education materials. To meet the need, we launched the PNC My Finance Academy web page featuring easy-to-access articles, podcasts and our first webcast. We are continuing to develop content that will help students interested in growing their financial skills.
COMMUNITY REINVESTMENT ACT

Every few years, the Office of the Comptroller of the Currency, an independent bureau of the U.S. Department of the Treasury, evaluates our commitment to the communities we serve. This includes looking at how we are meeting credit needs of those who live in low- and moderate-income neighborhoods. Based on the evaluation, we (like other banks) receive one of four ratings: Outstanding, Satisfactory, Needs to Improve or Substantial Noncompliance. We are pleased to have consistently earned, each year since the exams began, an Outstanding rating. Learn more about our Community Reinvestment Act rating at www.pnc.com/CommunityReinvestmentAct.

Community Development Banking

PNC Community Development Banking complements the PNC Foundation’s work by helping to improve the quality of life in low- and moderate-income neighborhoods through affordable housing, community development lending, economic development, financial education and customized financial solutions. Community Development Banking also assists groups that work with government agencies to help identify other sources for technical, financial and investment support.

Products and Services

Through Community Development Banking, we offer numerous financial products and services to meet the diverse needs of our customers.

Foundation Checking

This transitional checking account for customers who are just entering or re-entering the banking system has no balance requirements and lower daily point-of-sale and ATM limits. The financial education component, which teaches the basics of money management, is an important part of the account.

PNC SmartAccess®

Our prepaid Visa® card enables customers to safely and easily access and manage their money.

First-Time Homebuyer Clubs

These neighborhood clubs help first-time homebuyers by equipping them with the knowledge they need to navigate an often lengthy process and avoid costly pitfalls.

Individual Development Account

We support nonprofit organizations that help low- and moderate-income families save for a home or higher education by offering and administering Individual Development Accounts.

Volunteer Income Tax Assistance

We partner with the Internal Revenue Service to offer prepaid Visa® debit cards, free check cashing and financial education to low-income people who participate in the Volunteer Income Tax Assistance program.

Loans and Investments

When you believe in a community, you invest in its future. We do so in a number of ways.

CDFIs are private-sector financial institutions that focus on personal lending and business development efforts in communities that need revitalization. They aim to address the needs of the poor and working-class people who live in urban and rural communities.

Opportunity Zone Financing

In 2017, Congress designated specific areas as “Opportunity Zones” to encourage the reinvestment of capital gains into low- or moderate-income communities. We are proud to be one of the first banks in the country to use this new tool and have pioneered a new real estate equity/debt hybrid product that provides low-cost capital to real estate projects.

Affordable Housing Line of Credit

We offer a revolving line of credit that enables nonprofits and other developers to purchase and rehabilitate affordable single-family housing (up to four units).

Loans to and Investments in Community Development Financial Institutions (CDFIs)

Our support of CDFIs helps provide credit and financial services to underserved communities, generating economic growth and opportunity.

Note Purchase Program

Habitat for Humanity actively works to provide home ownership opportunities to lower-income people. We secure these mortgage loans, giving Habitat for Humanity a source of capital to continue promoting home ownership.

Tax Credit Solutions

Tax credits, when properly maximized, can be a powerful force in energizing communities. Our PNC Real Estate team uses years of experience in affordable housing and economic development to work with the Low-Income Housing Tax Credit, Affordable Housing Preservation, New Markets Tax Credit and Historic Tax Credit programs to deliver products that help provide this much-needed energy. PNC TC, LLC, an affiliated Registered Investment Adviser, advises funds sponsored by PNC Real Estate.

LOANS AND INVESTMENTS

In 2018, PNC provided $2.6 billion* in community development financing that benefited low- and moderate-income populations and communities, including:

- $2B in community development loans
- $67M in other investments to benefit underserved populations and communities
- $252M in equity commitments to provide affordable housing through the Low-Income Housing Tax Credit program
- $269M to help finance community-supported economic development projects through the New Markets Tax Credit program
- $7M to restore historic properties and return them to productive use through the Historic Tax Credit program

*Reflects Community Reinvestment Act–eligible investments made across PNC’s footprint.
Suppliers Diversity

Low-Income Housing Tax Credits (LIHTC)
Access to affordable rental housing is a fundamental need for low-income families and seniors. To help, we sponsor and invest in funds that acquire tax credits from developers who use the proceeds to create and renovate affordable rentals. With more than $9.9 billion in affordable housing equity under management in 2018, we were the second-largest LIHTC syndicator/investor in the U.S. National Multifamily Housing Council. Also in 2018, we provided $340 million for construction financing to support LIHTC developments.

Presevation Funds
We are one of the first financial institutions to sponsor and invest in Affordable Rental Housing Preservation Funds. These funds acquire properties that are considered to be “at risk” of being converted to market rental rates and use tax credits to redevelop them and ensure their long-term affordability. As of December 31, 2018, we had raised more than $320 million in equity and provided $195 million in lending to protect affordable housing.

New Markets Tax Credits (NMTC)
In 2003, we pioneered investing in the New Market Tax Credits program, providing equity capital to projects that create jobs and drive investment in some of the country’s most distressed urban and rural communities. To date, we have made more than $3 billion in Qualified Equity Investments under the program and manage $628 million of NMTC allocations from the U.S. Treasury Department.

Historic Tax Credits
We are among the nation’s leading Historic Tax Credit (HTC) investors, offering equity capital that encourages developers to preserve historic structures and return them to productive use. To date, we have invested $1.2 billion in HTC.

PartnerUP
Starting in February 2018, a group of Pittsburgh employers, led by PNC, entered high school classrooms to deliver a robust career readiness program, PartnerUP. This program aims to bring career opportunities to high school seniors who may not see post-secondary education as their next step. The program’s curriculum focuses on general post-high school readiness and teaches students about career decision making, financial education and overall professionalism, among other topics. PartnerUP has celebrated success with 10 students receiving and accepting full-time job offers at PNC and other students accepting offers at partner companies. Since its initial launch, the program has expanded to serve 10 school districts and offer a curriculum.

CONNECT WITH PITTSBURGH
As PNC’s corporate headquarters, Pittsburgh is an important market for our business and one in which we make strategic connections to strengthen our relationships with key stakeholders. In 2018, we made these connections with high school seniors, pre-K students, veterans, LGBTQ+ people and those in need of free legal services, as well as those affected by last year’s Tree of Life tragedy.

“As a Main Street bank, we view our role as being much more than a financial institution. In addition to helping our customers achieve their financial goals, we’re committed to developing strong relationships and providing resources to help strengthen the communities we serve,” said Lou Cestello, regional president in Pittsburgh and head of PNC’s Regional Presidents Organization. “Thanks to the partnerships we’ve built with community organizations in many areas, including education, diversity, economic development, and arts and culture, we’ve played a significant role in Pittsburgh’s transformation.”

IN 2018, WE HAD MORE THAN $9.9B
in affordable housing equity under management and were the second-largest LIHTC syndicator/investor in the U.S. National Multifamily Housing Council.

IN 2018, WE SPENT APPROXIMATELY $368M
WITH SMALL AND DIVERSE-OWNED BUSINESSES.
for high school juniors, increasing our reach to nearly 2,400 local students.

PartnerUP represents a shift in the way that PNC views future talent. We don’t want to simply hire talent but want to invest in the region’s future talent by creating strong partnerships with their schools, their students and their families.

**PNC Grow Up Great Volunteerism**

In 2018, more than 5,000 of our employees in southwestern Pennsylvania volunteered 21,096 hours as part of PNC’s Grow Up Great program. Among other activities, these employees read to children, served on the boards of Grow Up Great partners and collected more than 40,000 items in a Back to School Drive.

PNC’s work with Reading Is Fundamental has been particularly successful in engaging both employees and students. This literacy mentoring program launched in 2018 and pairs PNC volunteers with pre-K students from Training Wheels Childcare Center, who visit PNC’s headquarters for a weekly reading session. PNC volunteers and their students have the opportunity to build a meaningful relationship while reading, talking and participating in literacy-related activities. At the end of the students’ school year, PNC volunteers will have spent more than 650 hours supporting the program and earned $18,000 in Grants for Great Hours for Training Wheels Childcare Center.

**Mutt Strut**

Guardian Angels Medical Service Dogs trains service dogs to help veterans with everything from reducing the anxiety of waking up from a nightmare to living with a physical disability. While an estimated 20 veterans take their own lives every day, of the 180 veterans paired with service dogs since 2010, Guardian Angels has not lost one to suicide.

In 2018, PNC sponsored Mutt Struts, events that raise visibility, awareness and money for service dogs, in Pittsburgh and Erie, to fund 11 Guardian Angels service dogs, each of which costs $22,000 to train and pair with a military veteran.

“It’s hard to explain things when you get back, unless you went through it,” veteran Timothy Kellermann said of his combat tour with the U.S. Army. “We almost got overrun; since that day, I could never really sleep.”

That all changed when Timothy’s service dog, Pilot, came into his life. “I got my dog and she took all that away,” Timothy said. “I can actually sleep without one eye open...”

**Pro Bono Legal Services**

The PNC Legal department’s Pro Bono Project offers PNC attorneys an opportunity to provide free legal services for individuals who need but cannot afford legal assistance. Now in its fifth year, the Pro Bono Project continues to grow in participation and expand opportunities to help communities throughout PNC’s markets.

Among other assignments, PNC lawyers in Pittsburgh have taken on immigration cases for Jewish Family and Community Services, assisted veterans discharge status review for the Veterans Consortium, and partnered with nonprofit agencies to address corporate governance issues for Volunteer Lawyers for the Arts.

**LGBTQ+ Pride Parade**

In June, PNC celebrates Lesbian, Gay, Bisexual, Transgender and Queer+ (LGBTQ+) Pride Month across its footprint through the sponsorship of festivals and other events. PNC Proud, PNC’s Employee Business Resource Group for LGBTQ+ employees and allies, spearheads PNC’s Pittsburgh Pride Month events, including the city’s annual parade.

20 veterans take their own lives every day, and the PNC Foundation announced that it would donate $100,000 to the Jewish Federation of Pittsburgh and match their personal donations.
DELIVER AN EXCEPTIONAL CUSTOMER EXPERIENCE

- Data Privacy and Protection
- Technology and Innovation
- Fair Design and Sale of Banking Products and Solutions
- Diverse Customers
- Connect with Greater Washington
DELIVER AN EXCEPTIONAL CUSTOMER EXPERIENCE

Our customers are at the center of everything we do. Customer Focus is among PNC’s core values and is included as an annual employee performance goal, making it a priority for every employee to understand how his or her individual role affects the overall customer experience.

Though customer needs continually evolve, our approach to customer experience design and development allows us to react and adjust with speed and flexibility. Our customer advocacy review process ensures that we are looking at the customer impact of any change.

In 2018, we revised how we measure customer engagement by refining our survey questions and improving feedback methods. The Net Promoter Scores for customers continued to be strong, while the comments revealed successes and opportunities. As a part of the feedback cycle, we encourage our employees who interact directly with customers to tell us about opportunities for improvement through our Just Fix It! submission portal.

In 2018, recognition of our customer experience included:
• NerdWallet awarding PNC Mortgage the Best Online Experience for Traditional Mortgage
• Greenwich Associates recognizing PNC as a Best Brand – Overall, Best Brand – Cash Management and Best Brand – Loan/Lines of Credit in both the Middle Market space ($10 million – $500 million) and the Small Business space ($1 million – $10 million)

We are committed to delivering an exceptional customer experience and making banking easy. In 2019 and beyond, we’re focused on implementing the digital and technology solutions our customers are seeking, and designing experiences that enhance the customer journey.

Data Privacy and Protection

Our customers trust us to safeguard the privacy of their personal and financial information — a responsibility that tops our list of priorities. To ensure that we earn and keep their trust, we continue to add new tools to our already-robust fraud detection and prevention program.

We classify all personally identifiable information (PII) as either general PII, sensitive PII or Business Contact Information. In 2018, we broadened our definition of PII to include personal data about an individual’s characteristics, behaviors and demographics. This broader definition allows for expanded protection of our customers’ data. We also launched an advanced platform that analyzes transactions for suspicious activity and provides real-time alerts. Finally, we invested in new tools that further validate a customer’s identity, strengthening our efforts to protect against identity theft and fraudulent account openings.

We recognize that protecting our customers’ information is a partnership. We actively reach out to and educate our customers on spotting and preventing fraudulent activity. We do this through security alerts, through messages on bank statements and on social media platforms, through blog posts, and in branches. Accounts feature security...
In 2018, we launched an advanced platform that analyzes transactions for suspicious activity and provides real-time alerts.

In 2018, we successfully introduced nearly two dozen automated solutions — or “bots” — into several areas of the bank. In 2019 and beyond, this software will open new opportunities that create better service experiences, strengthen security and compliance, and streamline processes to reduce costs.

Blockchain
Ledgers have existed in one form or another for centuries. They became easier to access when digitized but still reflected what was on paper. Now, that’s all changing. New technology, known as blockchain, is revolutionizing record-keeping and allowing companies and their customers to more securely gather, record, communicate and audit their financial transactions.

While blockchain is essentially an electronic ledger, its key difference is that an encrypted record of each transaction is updated in real time and shared with each individual who has access to those transactions. Similar transactions are “chained” into blocks, which makes the information difficult to manipulate or attack. These transactions are highly secure and can be audited, resulting in greater accuracy, as well as a clear record of all financial activity.

PNC is researching and experimenting with blockchain and testing its application to improve our Treasury Management solutions. Recently, we worked with a healthcare system and a national insurance company to identify every point of friction in their claims submission, adjudication and payment process and to determine how we could use blockchain to remove them. We’re also evaluating the use of blockchain to increase the settlement speed and transaction transparency of international payments.

Retail Enhancements
In 2018, we introduced three new ATM features:

• **PNC Express Funds:** Offers a customer who deposits a qualified check at a PNC DepositEasySM ATM the option of immediately using the full amount for withdrawals or purchases, for a fee (2% of the dollar value of the check, with a $2 minimum)

• **Denomination Choice:** Gives customers the option, at select ATMs, to receive their cash in a mix of denominations — from $1 to $20 bills and, in some cases, $50 bills

• **Card-Free ATM Access:** Enables customers to complete a transaction at a PNC-owned ATM by using the PNC mobile app on their smartphone instead of using a card
EXPANDING OUR RETAIL BANK
Location of new deposit accounts from our National Retail Digital Strategy launched in 2018

Virtual Call Center
In 2018, PNC transitioned 300 employees from a traditional call center in Columbus, Ohio, to a virtual model. Our new Virtual Call Center enables customer-care representatives to access the PNC resources they need while working from a home office, eliminating the time and cost of commuting. Ease of talent acquisition to support varied customer-focused business strategies and environmental variability has been realized through virtual recruiting, onboarding and training. PNC now has access to recruit from a wider geographic area, opening more opportunities to hire diverse and bilingual individuals. Our new model also allows PNC to cover more time zones and therefore better serve our customers regardless of their location. This becomes especially important during extreme weather events, when PNC’s building facilities may be physically impacted and temporarily unable to serve customers. Due to the positive impact on both employees and customers, virtual expansion continues in 2019.

National Retail Digital Expansion
In October, PNC Bank launched the national expansion of its retail banking business, leveraging an array of digital banking capabilities and featuring a new High Yield Savings Account available to new customers who reside outside of our existing retail branch network. Since that time, many of our new high-yield savings account customers have selected us as their primary bank by opening a PNC Virtual Wallet® account.

While most consumers today are looking for a digital banking experience, we know that many also want to talk in person with a bank consultant before making major financial decisions. In response, PNC committed to follow its digital bank expansion with a thin network of retail locations in select new markets, beginning in Kansas City and Dallas.

Fair Design and Sale of Banking Products and Solutions
Recognizing the role we play in our customers’ financial lives, we design products and services that help them manage their day-to-day finances and assist them in achieving their financial goals. We also provide options and accurate, clear and meaningful information so that customers are informed and able to select the financial products and solutions that meet their needs.

PNC’s products and services are reviewed for compliance with all applicable laws and regulations, including fair lending and anti-discrimination laws. They also undergo an assessment for credit, market, operational, legal and reputational risks.

- Virtual Wallet® and Cash Flow Insight™ feature tools and calendars that allow customers to easily monitor their balances, conveniently move funds and plan for future cash flow.
- The SmartAccess® Prepaid Visa® card is a reloadable prepaid card that provides customers with a practical alternative to a traditional bank account and that can be used to:
  > Create a budget for living expenses by loading a predetermined amount of money for groceries, bills, restaurant meals, etc.
  > Load children’s allowances or college spending money to teach financial literacy
  > Budget for travel and holiday spending
  > Track spending with daily balance alerts via email or text
- The Student & Graduate Center provides students with information about deposit accounts, student loans, planning for college and financial literacy.
- PNC’s HomeHG® features tools to help prospective homebuyers understand home affordability (PNC Home Insight® Planner), start the mortgage process and track their mortgage application (PNC Home Insight® Tracker).
- PNC’s credit cards provide customers the opportunity to choose which card meets their individual needs — whether it’s cash back with a PNC Cash Rewards® Visa® Credit Card, a lower rate on purchases with a PNC

ABLEnow
Our Consumer Driven Healthcare Product Team is custodian for the Achieving a Better Life Experience (ABLEnow) Program administered by the Virginia College Savings Plan. An ABLEnow account is a tax-advantaged savings account for individuals with disabilities, providing a new way to save, invest and pay for qualified disability expenses. These accounts combine elements of 529s, IRAs and Health Savings Accounts. In most cases, eligible individuals can save without losing eligibility for financial means–based benefit programs like Medicaid and Supplemental Security Income (SSI). ABLEnow programs are administered by individual states, and typically customers are not required to be a resident of a particular state to join its program.
Core® Visa® Credit Card, a wide array of redemption options with a PNC points® Visa® Credit Card, or travel rewards provided by the PNC Premier Traveler® Visa Signature® Credit Card. PNC’s credit cards also enable a customer to lock and unlock a card (Easy Lock™), set travel alerts and do balance transfers all from their online banking account or mobile phone.

- PNC helps to make buying a car convenient with PNC Total Auto®, where customers can find and finance their car all in one place.
- PNC also promotes convenience by allowing customers to bank how and when they like — whether it is in person, over the phone, online or with a mobile device.

Diverse Customers
As the demographics of the United States and PNC’s markets shift, we’re making every effort to get to know our diverse customer base and deliver solutions and services to ensure that we are meeting their needs — at every stage of life. To keep up with those changes, our Diverse Growth Segments team shares marketplace and cultural data and competitive intelligence with internal and external partners, making sure we apply the insights to everything we offer — from customer experiences to product innovation.

Customers with a Disability
As part of our commitment to deliver an exceptional customer experience, we offer a variety of products and services to make banking easier, safer and more convenient for all customers, including those with disabilities.

To best serve those with a disability, we are focused on:
- Better understanding their needs
- Working with them to ensure that our products and services are provided in ways that meet their needs
- Reviewing our processes for making accommodations so we can constantly improve how we deliver our products and services

Planning for the Modern Family
In the 2010 U.S. Census, non-traditional family structures represented more than half of the total census, a number that continues to grow. Nearly nine years ago, three PNC employees embraced our corporate value of Diversity & Inclusion and established the Planning for the Modern Family National Practice Group. The practice group addresses the unique financial planning needs of customers who do not identify as a traditional married couple with children.

Members of the group are highly credentialed wealth strategists who not only work with their clients, but also volunteer their time and share their expertise with our communities and the news media, which helps keep the needs of modern families front and center. In 2018, group members were featured on the Fox Business Network and CNBC, as well as in the Wall Street Journal and Business Insider. They also presented at professional association conferences, including the Financial Planning Association, the Estate Planning Council and the National Association of African American Financial Advisors.

The practice group also serves as a go-to resource for our employees. For example, one of the group’s members was called on to help a local retail branch assist and support a customer who was making account changes as the result of a gender transition.

In 2019, the group will provide new white papers and thought leadership in the areas of late-life romances, banking and lending strategies for unmarried couples, culturally informed financial planning, adoption issues for non-traditional couples and single individuals, and planning for genetic material.

Providing pre-K teachers with high-quality science curricula
Since 2009, the Smithsonian’s National Air and Space Museum has worked with PNC Grow Up Great to positively affect science outcomes in three areas: family engagement, classroom capacity and teacher preparedness.

The Smithsonian was one of the first contributors to the PNC Grow Up Great Lesson Center, a repository of more than 100 free science and arts lesson plans for preschool teachers. Over the years, the partnership has grown and expanded, from providing pre-K science education support for teachers in the District to participating in PNC Grow Up Great’s nearly $14 million vocabulary initiative. Additionally, PNC’s early career Employee Business Resource Group, PREP, has volunteered with the organization for many years, doing their part to ignite a passion for science in preschool-aged children.

Members of the Greater Washington chapter of PNC’s early career EBRG, PREP, present a Grant for Great Hours check to Ann Caspari (front center) of the National Air and Space Museum.
Bringing the arts into pre-K classrooms

According to Wolf Trap Institute for Early Learning Through the Arts, incorporating arts into the classroom creates joyful, active learning experiences that engage children in ways that can increase academic and social–emotional development for all kinds of learners.

Wolf Trap embraces active learning with children ages birth through 6 years old and educators through high-quality professional development, integrating Science, Technology, Engineering, Art and Math (STEAM) into children’s daily school lives. Professional performing artists are first trained in early childhood development and curriculum; these teaching artists then work directly with teachers in their classrooms, sharing arts integration strategies, developing lesson plans and interacting with children. The ultimate goal is to facilitate a transfer of skills from the teaching artists to the classroom teachers, leading to long-term, ongoing integration of the arts into classroom learning.

Wolf Trap Institute for Early Learning Through the Arts is the flagship education program of Wolf Trap Foundation for the Performing Arts for education program of Wolf Trap Foundation for the Performing Arts. As a significant contributor to Wolf Trap Through the Arts is the flagship education program of Wolf Trap Foundation for the Performing Arts for education program of Wolf Trap Foundation for the Performing Arts. According to Wolf Trap Institute for Early Learning Through the Arts, incorporating arts into the classroom creates joyful, active learning experiences that engage children in ways that can increase academic and social–emotional development for all kinds of learners.

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Wolf Trap Institute for Early Learning Through the Arts is the flagship education program of Wolf Trap Foundation for the Performing Arts. As a significant contributor to Wolf Trap Foundation for the Performing Arts, PNC not only helps the Foundation fulfill its mission to enhance our nation’s cultural life and ensure that the arts remain accessible and affordable to the broadest possible audience, but also helps to bring teaching artists to classrooms in Washington, D.C., Virginia, and Maryland.

Making career connections

“One of the most important issues facing our region today is ensuring that today’s workforce is ready for the jobs coming in the next five to seven years,” said Richard Bynum, regional president of PNC Bank in Greater Washington. “We are pleased to support a number of high-quality nonprofits working to upskill residents for jobs providing the highest number of employment opportunities in the metropolitan region.”

Job Corps is the nation’s largest residential career technical training and education program for low- to moderate-income young adults aged 16–24. Students can earn a high school diploma, a high school equivalency credential or college credits.

PNC’s partnership with the Potomac Job Corps provides career opportunities, mentoring and financial education opportunities for Job Corps participants. PNC volunteers staff a series of eight financial education workshops for cohorts of 20–30 students, providing them with 16 hours of training over a four-month period. PNC also hosts job fairs where Job Corps participants can interview for positions in the Greater Washington or Greater Maryland markets. To date, six Job Corps candidates have been placed in full-time positions with PNC.

The Academy of Hope Adult Public Charter School is one of the most comprehensive and effective providers of adult education services in Washington, D.C. The organization provides high-quality education and job skills training to low-income and at-risk adults in the region, providing a nurturing, individualized, student-centered learning environment. The program also builds job readiness through improved computer skills, pre-employment workshops, and résumé and interview preparation. PNC provided Academy of Hope with a $500,000 line of credit, which it will use for day-to-day operations and to help bridge gaps in cash received from grants, donations and other contributions.

Connecting youth to financial education

The Greater Washington market’s African American Employee Business Resource Group (EBRG) and the local Community Development Banking team partner to support College Bound, an academic enrichment program for students in eighth grade and up. PNC hosts College Bound participants at our D.C. headquarters each week, providing learning sessions on basic banking, budgeting and setting financial goals. Additionally, PNC Community Development Banking works through the Allegany County Human Resources Development Commission to support the Allegany Partnership for Financial Education and Entrepreneurship (apFEE). Through this initiative, PNC helps to provide sixth-graders with financial education, while seventh–graders receive training in entrepreneurship. The program is active in four local middle schools. At the end of each school year, the Allegany County Chamber of Commerce invites the apFEE entrepreneurship students to present their ideas and receive guidance on launching their businesses. In 2018, this program provided 1,440 hours of financial education to 828 students.

PNC provided a $1.5 million predevelopment acquisition loan to So Others Might Eat, Inc. This loan was used to acquire a row home for future development into 39 one-bedroom units for homeless individuals.

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PNC provided a $1.5 million predevelopment acquisition loan to So Others Might Eat, Inc. This loan was used to acquire a row home for future development into 39 one-bedroom units for homeless individuals.
Ethical Conduct

We have long demonstrated our commitment to integrity and corporate responsibility, a promise that has only deepened as we have grown into one of the country’s leading financial services companies.

We do not tolerate unethical or inappropriate behavior. Every employee performance review includes a risk management goal that ensures that employees are focused on and accountable for the ethical implications of their work. Detailed information about PNC’s corporate governance policies and procedures and other documents, including the Code of Business Conduct and Ethics, can be found at pnc.com/corporategovernance.

Supplier Code of Conduct

In 2018, we launched our first Supplier Code of Conduct. Just as we expect our employees to uphold our corporate values, we encourage those who provide us with goods and services to follow similar practices and guidelines. Our code covers four key areas: Ethical Business Practices, Human Rights in the Workplace, Environmental Stewardship and Community Investments. To read PNC’s Supplier Code of Conduct, please visit www.pnc.com/suppliercodeofconduct.

What Respect Looks Like at PNC

We trust the capabilities, character and judgment of our colleagues, and we treat each other with respect. Every employee is responsible for embodying not only our corporate value of Respect, but also all of our other values.

Modern Slavery Act

In alignment with our commitment to corporate social responsibility, we are committed to combating modern slavery, including slavery, servitude, forced labor and human trafficking. We strongly support the Modern Slavery Act, which aims to eradicate modern slavery in commercial organizations with operations in the U.K. We are committed to helping ensure that there is no modern slavery, including human trafficking, in our supply chain or in any part of our business, as we believe it is our role to act ethically in all of our business.

PNC’S CORPORATE VALUES

Customer Focus

We offer products, services and experiences that fulfill our customers’ financial needs and goals in a clear and transparent way, while delivering on the commitments we make to them.

Diversity & Inclusion

We value our differences and work together to create a diverse and inclusive workplace where everyone can contribute to the success of our company.

Integrity

We are honest, do the right thing, conduct business with the highest ethical standards and enable our colleagues to raise concerns.

Performance

We expect excellence in all that we do.

Quality of Life

We promote the personal, physical and financial well-being of our employees, customers and communities.

Respect

We trust the capabilities, character and judgment of our colleagues, and treat each other with respect.

Teamwork

We work together to achieve our goals and celebrate our successes.
To achieve greater operational efficiency, PNC plans to leverage an intelligent building software platform to save energy and improve building performance.

**Sustainable Operations**

Operating as a good corporate steward of the environment is not only the right thing to do, but it’s also essential to supporting a high quality of life for our employees, customers and communities. After meeting our 2020 goals for energy, water and carbon emissions reductions early in 2017 we set even more ambitious, science-informed targets for 2035 — a 75% reduction in carbon emissions and energy use, and a 50% reduction in water use. Additionally, in May 2019 we set a goal to achieve 100% renewable energy use by 2025.

In addition to these specific goals, our comprehensive sustainability program takes a holistic approach to good environmental stewardship, leveraging green building standards, resource conservation and state-of-the-art intelligent building design.

**Building Performance**

We continue to upgrade our physical spaces with more efficient equipment, such as LED lighting and energy-efficient heating and cooling systems. In 2018, we explored connected devices, including smart thermostats and sensors with real-time smart analytics. This will help us to better foresee and control any operational issues that may arise.

*This data is accurate as of PNC's 2018 Annual Shareholder meeting on April 23, 2019.*
Intelligent Buildings
PNC was an early adopter of LEED certification for both our branch and our office environments, and continues to design and retrofit buildings to maximize energy efficiency, enhance occupant comfort and efficiently use building materials to reduce resource consumption. To achieve greater operational efficiency, PNC plans to leverage an intelligent building software platform to save energy and improve building performance. The software will integrate energy, building and smart equipment data into a central platform to deliver insights, trends and actionable reports to improve building performance and operations. In 2018, the Innovation and Performance group researched and vetted software vendors and will pilot the program in 2019.

Water Use
In 2018, PNC completed 15 water audits. We found that our retail operations represent most of our water use, mainly due to year-round irrigation at bank branches in the South. Based on these findings, we will pilot water efficiency upgrades at 20 sites in Florida in 2019. The pilot will include replacing traditional irrigation controllers with weather-based smart irrigation controllers, and replacing old, inefficient irrigation equipment with high-efficiency models.

New Commissioning Program
We created a new commissioning (Cx) program to increase the efficiency of new and renovated buildings. The program fulfills PNC’s objectives to track, monitor and improve the Cx process to meet its business needs and the requirements of rigorous green building criteria. The updated standards and process will ensure that our systems are designed efficiently, installed appropriately and operating as intended, based on the latest industry standards.

Employee Commuting
In 2018, we completed an employee commuting survey to update the metrics we use to calculate a portion of our Scope 3 emissions (indirect emissions that occur in a company’s value chain, both upstream and downstream). We previously relied on information from a 2011 survey to calculate average miles traveled, mode of transportation and commute days. We were impressed with the results from the 2018 survey, as we saw large shifts in commuting patterns compared to the 2011 data.

There was a decrease in the number of trips made by solitary drivers, which went from 84% to 69%.

Furniture Donations
In 2018, we donated, sold or recycled 658 tons (100%) of our excess furniture. Of that, 59.9% was recycled, 28.8% was donated, 9.5% was sold and 1.8% was relocated internally. By donating this furniture, which equated to $275,000 of in-kind charitable donations to 11 different organizations, we diverted it from landfills and subsequently reduced our carbon emissions by 1,361 metric tons.

Grounds to Grow On
In 2018, we began a pilot program with Grounds to Grow On, returning our used coffee pods to the vendor to recycle the plastic cup and foil lid and compost the used grounds and paper filter. The pilot has been successfully implemented for each coffee machine in The Tower at PNC Plaza at our Pittsburgh headquarters campus. In 2019, we plan to expand the pilot to our other major buildings in downtown Pittsburgh.

Compost
We have been composting at our Pittsburgh properties for a number of years, but ensuring that the collected compost is clean continues to be a challenge. In 2018, our composting audits showed that, though PNC employees did successfully compost many items, non-compostable items were also found in the compost bins. This information will inform more frequent audits and additional employee education campaigns.
### ENVIRONMENTAL INDICATORS

#### GENERAL INFORMATION

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees</th>
<th>Real Estate (square feet, thousands)</th>
<th>Annual Revenue ($MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>55,820</td>
<td>30,000</td>
<td>16,228</td>
</tr>
<tr>
<td>2016</td>
<td>52,006</td>
<td>28,123</td>
<td>15,162</td>
</tr>
<tr>
<td>2017</td>
<td>52,906</td>
<td>26,782</td>
<td>16,329</td>
</tr>
<tr>
<td>2018</td>
<td>53,063</td>
<td>26,313</td>
<td>17,132</td>
</tr>
</tbody>
</table>

#### INTERNAL PAPER USE**

<table>
<thead>
<tr>
<th>Year</th>
<th>8.5x11 sheets (thousands)</th>
<th>Sheets per employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>680,000</td>
<td>12,182</td>
</tr>
<tr>
<td>2016</td>
<td>312,973</td>
<td>6,018</td>
</tr>
<tr>
<td>2017</td>
<td>266,946</td>
<td>5,046</td>
</tr>
<tr>
<td>2018</td>
<td>237,300</td>
<td>4,472</td>
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</tbody>
</table>

#### FACILITIES

<table>
<thead>
<tr>
<th>LEED®-certified projects</th>
<th>New construction</th>
<th>Commercial interiors</th>
</tr>
</thead>
<tbody>
<tr>
<td>68</td>
<td>66</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ENERGY STAR®–certified buildings</th>
<th>Space certified (square feet, thousands)***</th>
<th>Portfolio certified***</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,016</td>
<td>1,016</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

#### EMISSIONS (Metric tons CO2e)

<table>
<thead>
<tr>
<th>Direct emissions (Scope 1)</th>
<th>Indirect emissions (Scope 2)</th>
<th>Other emissions (Scope 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>48,962</td>
<td>431,243</td>
<td>172,533</td>
</tr>
<tr>
<td>26,425</td>
<td>284,305</td>
<td>155,383</td>
</tr>
<tr>
<td>4,014</td>
<td>284,305</td>
<td>155,383</td>
</tr>
<tr>
<td>68</td>
<td>284,305</td>
<td>155,383</td>
</tr>
<tr>
<td>3,182</td>
<td>284,305</td>
<td>155,383</td>
</tr>
</tbody>
</table>

#### BUILDING ENERGY CONSUMPTION (MWh)

<table>
<thead>
<tr>
<th>Total building energy consumption</th>
<th>Electricity</th>
<th>Natural gas</th>
<th>Steam</th>
<th>Other</th>
<th>Energy use (kWh) per square foot</th>
<th>Energy use (kWh) per employee</th>
<th>Energy use (kWh) per million $ revenue</th>
<th>Green Power (MWh)</th>
<th>Purchased Renewable Energy Credits (RECs)</th>
<th>Water Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>888,353</td>
<td>730,054</td>
<td>142,066</td>
<td>10,698</td>
<td>5,735</td>
<td>28,17</td>
<td>15,339</td>
<td>54,742</td>
<td>—</td>
<td>—</td>
<td>416,068</td>
</tr>
</tbody>
</table>

#### CARBON EMISSIONS

- **Direct emissions (Scope 1)**: 48,962 metric tons CO2e
- **Indirect emissions (Scope 2)**: 431,243 metric tons CO2e
- **Other emissions (Scope 3)**: 172,533 metric tons CO2e

#### ENERGY

- **Electricity**: 730,054 MWh
- **Natural gas**: 142,066 MWh
- **Steam**: 10,698 MWh

#### WATER*

- **Purchased water**: 416,068 MWh

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**Notes:**
- With the exception of water, which is measured against a 2012 baseline, PNC measures its environmental performance against 2009 baseline metrics.
- In 2011, PNC acquired National City, which doubled the size of our company.
- **Paper data includes all internal white copy paper.
- **Includes both LEED®– and ENERGY STAR®–certified projects.

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**PNC’S ENVIRONMENTAL PERFORMANCE**

**Reduction Since 2009**

PNC met its 2020 30% reduction goals for energy consumption and carbon emissions in 2017 and for water consumption in 2018.

**2035 Reduction Goals**

- **Carbon Emissions**: 75%
- **Energy**: 75%
- **Water**: 50%

**Environmental Indicators**

- **Bank Responsibly**: PNC’s Environmental Performance
- **Reduction Since 2009**: PNC met its 2020 30% reduction goals for energy consumption and carbon emissions in 2017 and for water consumption in 2018.

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**How Did We Meet These Goals?**

- **Carbon Emissions**: Green building initiatives, Updated lighting, HVAC improvements, Extensive analysis of energy data using traditional analytics techniques
- **Energy**: Green building initiatives, Updated lighting, HVAC improvements, Extensive analysis of energy data using traditional analytics techniques
- **Water**: Employee education and engagement, Green and intelligent buildings, Advanced machine learning techniques on our energy data

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**How Will We Meet These Goals?**

- **Carbon Emissions**: Employee education and engagement, Green and intelligent buildings, Advanced machine learning techniques on our energy data
- **Energy**: Green building initiatives, Updated lighting, HVAC improvements, Extensive analysis of energy data using traditional analytics techniques
- **Water**: Employee education and engagement, Green and intelligent buildings, Advanced machine learning techniques on our energy data

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**Notes:**
- We measure our water consumption against a 2012 baseline.
We believe in not only managing our own operations in an environmentally sustainable manner, but also doing our part to finance the transition to a low-carbon economy.

In 2018, we formalized our approach to sustainable finance, forming a cross-functional Sustainable Finance Working Group, codifying our definition of sustainable finance, and beginning the work to more fully automate how we capture sustainable finance data.

**Sustainable Finance Working Group**

PNC’s Sustainable Finance Working Group includes employees from business segments that are key to the success of PNC’s sustainable finance, green lending and environmental sustainability programs. The working group is responsible for defining PNC’s sustainable financing commitments and influencing strategies to ensure that we meet our sustainable finance goals.

The Sustainable Finance Working Group’s first task was to address PNC’s definition of sustainable finance. Our commitment to enabling our clients’ sustainable operations takes the form of providing financing and underwriting debt with an environmentally sustainable use of proceeds. Areas of focus include:

- Renewable energy
- Energy efficiency
- Green building
- Brownfield remediation
- Sustainable transportation
- Waste management and pollution control
- Water quality and conservation
- Air quality

Our sustainable finance commitment totaled more than $7 billion in 2018. This figure incorporates transactions from our public finance, capital markets, real estate, corporate banking, equipment finance, energy capital, consumer lending, community development banking and business banking lines of business. We also consider investments in our own facilities’ green building and energy-efficiency projects, as well as our charitable contributions that have an environmental sustainability component.

In 2019 and beyond, we will be exploring ways to transition from manual to automated sustainable finance data capture to ensure a greater degree of consistency and accuracy year-over-year.

**Green Bonds**

Underwriting bonds that finance environmentally beneficial projects is an important part of our sustainable finance program. This includes both traditional and “green” bonds, which are underwritten and issued under the best practice guidelines of the International Capital Markets Association’s Green Bond Principles, to which PNC is a signatory.

**Responsible Investing**

As technology and science create new business and investment opportunities, they also create new responsibilities, which include considering our collective impact on future generations. By changing the dynamic between investors, businesses and the public, responsible investing can help ensure that today’s decisions and actions position future generations for success.

We define responsible investing (RI) as an investment strategy that:

- Proactively supports certain values or causes
- Excludes or restricts portfolio exposures that may conflict with those values
- Defines a specific, targeted impact and allocates capital toward that objective

At PNC, we view RI as an implementation strategy, rather than as an investment philosophy or a separate asset class. It is a lens we can use to implement a portfolio that aligns with an investor’s unique goals, intentions, values or mission.

**Environmental, Social and Governance (ESG) Integration**

ESG is a set of standards that investors can use to evaluate investments and determine whether a company’s operations are “responsible.” Environmental criteria look at how a company performs as a steward of the natural environment. Social criteria examine how a company manages relationships with its employees, suppliers, customers and the communities where it operates. Governance deals with a company’s leadership, executive pay, audit and internal controls, and shareholder rights.

We have developed several proprietary investment strategies that take ESG factors into consideration.

**Our approach to responsible investing is:**

- **Focused on goals:** Our process begins by understanding each client’s unique values and intentions.
- **Flexible:** We build portfolios tailored to each client’s particular investment needs, restrictions and values. We do not believe a one-size-fits-all approach is always necessary or appropriate in implementing an RI portfolio.
- **Dependent on deep analysis:** Robust quantitative analyses combined with strong qualitative research can generate meaningful insight that is not attainable by either method on its own.
its own, so we employ both to help derive optimal RI portfolio solutions for our clients.

- **Dynamic:** Markets evolve, and portfolios need to adjust accordingly to generate attractive returns.

- **Long-term:** While markets are ever-changing, we believe that patient investors can capitalize on proven, long-term trends. Many of the thematic strategies we employ within portfolios may require taking a more secular view of the world, as demographic shifts and environmental trends can take considerable time to unfold.

- **Value-oriented:** We seek to identify investment opportunities that are undervalued and/or mispriced by the market. We use our rigorous, disciplined and repeatable investment process as a guide to help determine what relative value ultimately looks like.

## Responsible Investing at PNC in 2018

In 2018, we had $2.42 billion in RI assets under management across PNC Capital Advisors (PCA); Hawthorn; Wealth Management; and Institutional Asset Management. This represents a 15% increase from 2017. The Investment Advisor Research team this year approved the introduction of two separately managed accounts, eight passive exchange-traded mutual funds, two custom Environmental and Social Impact accounts, and two responsible exchange-traded funds. This year approved the introduction of two custom Environmental and Social Impact accounts, and two responsible exchange-traded funds.

### Responsible Home Lending

In 2018, PNC originated $7.4 billion in residential mortgage loans to those purchasing a new home or refinancing a current home loan. We support home ownership for low- and moderate-income borrowers and have helped tens of thousands of these borrowers purchase, refinance or improve their homes by offering mortgage products that are affordable, flexible and sustainable. Among these products are those that adhere to Federal Housing Administration and Department of Veterans Affairs guidelines. PNC’s portfolio mortgage product, PNC Community Mortgage, offers flexible underwriting guidelines and reduced costs for prospective borrowers.

### Home Lending Transformation

In 2018, we made progress on our multi-year initiative to redesign the home lending process by moving mortgage loan applications to the Empower loan origination system and converting existing home equity loans and lines of credit from their existing servicing platforms to Mortgage Servicing Platform, the platform we use to service mortgage loans.

This transformation will be more efficient, help us more easily comply with regulatory changes and create a better customer experience. In 2019, we are planning to move home equity originations into Empower as well.

### Mortgage Assistance

We offer a variety of products so our customers can choose the mortgage option that best meets their needs. Life changes and other unexpected hardships may, however, affect a borrower’s ability to repay a mortgage loan. We participate in several government- and investor-sponsored programs to assist homeowners who are unable to meet their obligations, and we offer the Making Home Affordable® program options for those who become unemployed or are considering refinancing or selling their home for less than what they owe.

We also have several loss mitigation and payment modification options, including forbearance, repayment plans, modifications, partial claims, short sales, assumptions and deed, in lieu of foreclosure. We encourage distressed homeowners to contact us to discuss the right option for their circumstances.

### Corporate Lending and Our Approach to Risk Management

The foundation for our steady performance has been our unwillingness to compromise our risk appetite as competition to extend credit drives terms that do not fit within our risk and pricing parameters. Our disciplined approach to risk management has served us well and positions us to continue growing our business and creating value for our shareholders in virtually any environment.

#### Environmental and Social Risk Management

Environmental issues, including climate change, are impacting our business, our clients and the communities we serve. We assess, mitigate and manage environmental and social risks at both the portfolio and the individual transaction levels through a framework that includes portfolio analysis, stress testing, and policies and procedures to govern our underwriting and portfolio management practices. Our approach is regularly reviewed by senior management and overseen by our Board of Directors.

#### Rapid Risk Screen

In 2018, PNC introduced an Environmental and Social Risk Management (ESRM) Rapid Risk Screen for use across all of Corporate & Institutional Banking. This screen helps us better identify and mitigate risk early in the life cycle of a transaction. It encompasses environmental and human rights risks, and expands our focus across all of our wholesale lending activities. Transactions identified by the screening are escalated to leaders in the business and underwriting groups, who determine whether to pass on the transaction, do enhanced due diligence alongside the company’s CSR team, or proceed as requested.

#### Environmental Risk Assessment and Analysis

We perform industry assessments to understand how immediate or emerging issues could impact our wholesale credit portfolio. Scenario analysis and stress

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**Our philosophy is to never take unnecessary risks or trade long-term value for short-term gains. We’ve designed our risk management policies and initiatives with this in mind.**
### PNC’s Environmental Risk Management Framework

<table>
<thead>
<tr>
<th>MOODY’S DEFINITION</th>
<th>IMPACTED SECTORS</th>
<th>PNC ACTIONS</th>
</tr>
</thead>
</table>
| IMMEDIATE/ ELEVATED Sectors “already experiencing material credit implications as a result of environmental risk” | - Coal mining  
- Coal-related  
- Unregulated utilities and unregulated power companies | - Lending policy regarding coal mining and coal-fired power plants  
- Focus on environmental risks in prescreen process for prospects  
- Enhanced environmental due diligence for coal mining companies, electric power generation utilities and oil & gas (completed initially when onboarding new clients and at least annually for existing clients)  
- Human rights due diligence for coal mining companies and electric power generation utilities in certain foreign jurisdictions  
- Not actively pursuing new relationships in the coal industry |
| EMERGING/ ELEVATED Sectors with “clear exposure to environmental risks that, in aggregate, could be material to credit quality over medium term, 3 to 5 years, but are less likely in the next 3 years” | - Auto manufacturers  
- Commodity chemicals  
- Mining excluding coal  
- Oil & gas independent exploration and production  
- Oil & gas refining and marketing  
- Power generation projects  
- Steel | - Focus on environmental risks in prescreen process for prospects  
- Enhanced environmental due diligence for oil & gas companies (completed initially when onboarding new clients and at least annually for existing clients)  
- Accounted for the oil & gas and metals & mining industries in our 2017 firm-wide stress test/capital plan  
- Analyzed the impact and opportunities associated with electric vehicles and assessed the production and use of alternative energy |


### PNC’s ESRM Oversight and Execution

1. **Board of Directors**
2. **Senior Executives**
3. **Credit Portfolio Strategy Committee**
4. **Corporate Sustainability Manager**

**Credit Portfolio Management, Credit Products Group, Independent Risk Management, Relationship Banking**

**Prescreen Process**  
**Underwriting and Enhanced Environmental and Human Rights Due Diligence**

**Portfolio Review**  
**Environmental Stress Test**

Risk assessments, using regulatory stress-testing methodologies and models, can be used to determine magnitude of the risk in a particular credit population. Groups of business, credit and portfolio management employees use our environmental framework to understand the scope and horizon of the risks and opportunities.

We present environmental risks and stress scenario results to PNC’s Credit Portfolio Strategy Committee, which manages the overall risk/return balance of our loan portfolio. Outcomes of this review may include incorporating stress results into capital forecasts, enhanced due diligence, changes in origination requirements, or caps and limits on credit exposure.

In 2018, our environmental reviews focused on understanding the risks and opportunities from the demand for electric vehicles over traditionally powered vehicles. We also assessed the impact of alternative energy sources on the energy and utilities sector.

**Evolving Policies and Procedures**

Our risk management policies and procedures continually evolve to reflect best practices. Our goal is to ensure that the work we do advances our capabilities, is relevant to our business decision making and is valuable to internal and external stakeholders. Over the last few years, we have gradually reduced our lending to coal mining companies, prohibited new lending to coal producers with anything more than a de minimis exposure to mountaintop removal mining, and prohibited construction financing of all single-site coal-fired power plants. These changes reflect our stakeholders’ interests and concerns, as well as environmental risks, which, if not addressed, could translate into risks for our business. We have also taken steps to benefit from the opportunities of a transition to a low-carbon economy.
“Giving children a strong start will make an enormous difference for Indiana’s economy today and for generations to come. PNC recognizes that we are only as strong as the communities we serve, and if our children and families thrive, we’ll also thrive.” — Connie Bond Stuart

PNC Regional President Connie Bond Stuart reads to Wayne Township preschool children.

The PNC Financial Services Group

January 2019 and graduated in May 2019. Her cohort of 15 executives launched in 2018 and graduated from the program having also developed a formal board bio. The second cohort of 15 executives launched in January 2019 and graduated in May 2020.

Connie is committed to early childhood education, Regional President Connie Bond Stuart is committed to helping women advance their careers through board service, specifically through Board Ready Women. This national initiative, led by Deloitte, aims to increase the number of women on private and public boards.

In January 2018, Connie collaborated with Deloitte’s Indianapolis managing partner, as well as a partner from Ice Miller, LLP, to launch this program in Indiana. Working with corporate CEOs, they identified senior-level women in the community who could benefit from Board Ready Women and ultimately add value to a private or public board. The program consists of four evening sessions, during which participants network and learn about the responsibilities of various board committees, as well as the expectations of and risks associated with serving on a board. Participants also graduate from the program having developed a formal board bio. The second cohort of 15 executives launched in January 2019 and graduated in May 2020.

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Stakeholder Engagement

Our success largely depends on strong relationships with our stakeholders. To develop and maintain these relationships, we must build trust and engage in two-way communication with our stakeholder groups. We must be transparent in our words and actions and actively listen and respond to their questions and concerns. The table on the next two pages provides a few examples of how PNC communicates with, receives feedback from and responds to stakeholders. In addition to actively communicating with our stakeholders, we regularly monitor PNC and financial industry media coverage and social media conversations, and track the overall health of our brand, all of which allows us to better gauge PNC’s reputation and visibility in the regions where we operate.

<table>
<thead>
<tr>
<th>CHANNELS AND FREQUENCY</th>
<th>RESPONSE TO TOPICS AND CONCERNS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>Customers</td>
</tr>
<tr>
<td>• 35 corporate town halls per year</td>
<td>• Daily interactions on social media (Facebook, Twitter, LinkedIn, Instagram)</td>
</tr>
<tr>
<td>• Pre- and post-corporate town hall surveys</td>
<td>• Daily interactions on PNC Live Chat</td>
</tr>
<tr>
<td>• Bi-annual employee engagement surveys, including VoiceEX, which measures an employee’s likelihood of recommending PNC as an employer</td>
<td>• Daily customer transaction surveys</td>
</tr>
<tr>
<td>• Daily articles, regular videos and employee polls published on PNC News Online (Intranet) and Just for Managers (an intranet page dedicated to managers), both of which allow readers to rate content</td>
<td>• Quarterly qualitative research, including focus groups, idea submission sessions and one-on-one interviews</td>
</tr>
<tr>
<td>• PNC Online feedback mailbox</td>
<td>• Daily phone calls facilitated by PNC Customer Care</td>
</tr>
<tr>
<td>• PNC’s online collaboration network, which includes forums, blogs,Wikis, communities, microblogging and file sharing</td>
<td>• Branch and relationship manager interactions</td>
</tr>
<tr>
<td>• Annual surveys (through PNC’s materiality analysis, among other initiatives)</td>
<td>• Benefits</td>
</tr>
<tr>
<td>• The company’s leadership</td>
<td>• Customer feedback regarding our people, products, services and business practices is rigorously gathered and analyzed on an ongoing basis by a variety of internal and external sources. Our VoiceCX program allows us to obtain feedback directly from our customers following their experiences with us. The insight we gain is valuable and is used to help inform our decisions in serving our customers today and in the future.</td>
</tr>
<tr>
<td>• Development opportunities</td>
<td>• Concerns raised through our customer interactions are monitored and tracked and are appropriately managed by dedicated teams that follow specific processes and procedures to respond to and resolve issues.</td>
</tr>
<tr>
<td>• The company’s leadership</td>
<td>• Concerns raised through our Office of the Customer are addressed and/or shared with the appropriate business leaders for final resolution.</td>
</tr>
<tr>
<td>• PNC’s benefits are competitive with those of our peers and position the company for future growth.</td>
<td>• Concerns raised through our Office of the Customer are addressed and/or shared with the appropriate business leaders for final resolution.</td>
</tr>
<tr>
<td>• We are always listening to our employees and work hard to recognize and reward their accomplishments.</td>
<td>• Concerns raised through our Office of the Customer are addressed and/or shared with the appropriate business leaders for final resolution.</td>
</tr>
<tr>
<td>• We provide numerous development tools and opportunities to help employees at all levels grow their careers at PNC.</td>
<td>• Concerns raised through our Office of the Customer are addressed and/or shared with the appropriate business leaders for final resolution.</td>
</tr>
<tr>
<td>• PNC provides managers with the tools and resources they need to drive business results, manage risk and develop diverse teams.</td>
<td>• Concerns raised through our Office of the Customer are addressed and/or shared with the appropriate business leaders for final resolution.</td>
</tr>
<tr>
<td>• PNC Leadership Standards, which chart the course for every PNC manager, set clear expectations and held managers accountable to certain behaviors that ensure that PNC meets the demands of a dynamic business environment.</td>
<td>• Concerns raised through our Office of the Customer are addressed and/or shared with the appropriate business leaders for final resolution.</td>
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STAKEHOLDER ENGAGEMENT

GOVERNMENT

> Ongoing dialogue between senior leaders and regulators and federal, state and local government officials
> Regular interactions through Government Relations and Regulatory Affairs teams
> Participation in government-sponsored events and initiatives
> Regular communication between PNC’s Executive Committee and Regional Presidents and government officials
> Participation in government outreach activities arranged by industry groups, including the American Bankers Association

SUPPLIERS

> Daily emails and phone calls
> Quarterly, annual and biannual meetings during which PNC business leaders and executives meet with suppliers
> PNC’s Supplier Diversity Portal
> Interviews (through PNC’s materiality analysis, among other initiatives)
> PNC’s Enterprise Third-Party Management program

NON-GOVERNMENTAL ORGANIZATIONS

> Interactions on social media (Facebook, Twitter, LinkedIn)
> Daily/weekly emails and phone calls
> Regular meetings
> PNC employees’ service on community Boards of Directors

INDUSTRY GROUPS AND COALITIONS

In alignment with our commitment to strengthen our communities and better support our employees and customers, PNC holds a governance position in, and/or provides funding to, various industry groups and coalitions, including:
- American Association of People with Disabilities
- Association of African American Financial Advisors
- Association of Latino Professionals for America
- Bank Administration Institute
- Bank Policy Institute (formed by the merger of the Clearinghouse and Financial Services Roundtable)
- Commercial Real Estate Council
- Consortium for Public Education
- Consumer Bankers Association
- Forté Foundation
- Global Business Coalition on Education
- Human Rights Campaign
- Mortgage Bankers Association
- National Center for Women & Information Technology
- National Futures Association
- Out & Equal Workplace Advocates
- Recruit Military
- U.S. Chamber of Commerce Corporate Citizenship Center
- U.S. Hispanic Chamber of Commerce
- U.S. Green Building Council

While the nature of our engagement varies by organization, PNC strategically supports and affiliates itself with groups and coalitions that share a similar vision and set of values. As a company focused on diversity & inclusion, for example, we strongly believe in the Human Rights Campaign’s (HRC) mission and joined the HRC’s Business Coalition for Equality Act. This coalition consists of a group of leading U.S. employers that supports the Equality Act, federal legislation that would provide the same basic protections to members of the LGBTQ+ community as are provided to other protected groups under federal law.

Similarly, PNC’s work with the U.S. Chamber of Commerce Corporate Citizenship Center, which helps businesses drive positive environmental and social impacts, reflects our commitment to addressing environmental, social and governance issues and opportunities. In 2018, PNC Accessibility Officer Greg Pollock participated in a panel on the importance of disability inclusion at the Corporate Citizenship Center’s annual conference.

Our partnerships with these and other organizations are mutually beneficial, as they leverage PNC’s unique resources to help drive positive impact while introducing us to valuable connections and best practices.

CSR WORKING GROUP

PNC’s CSR Working Group includes more than 60 employees from across the bank whose roles directly support the company’s sustainability commitment. These employees represent Community Affairs, Legal, Investor Relations, Human Resources, Credit Portfolio Strategy, Responsible Investing, Women’s Business Development, Community Development Banking and Realty Services, among other lines of business and support functions. The CSR Working Group meets quarterly to discuss major ESG updates and to provide employees with an opportunity to showcase their respective work.

Not only does this approach foster engagement, it facilitates cross-functional collaboration and promotes greater awareness of what is occurring across the organization.

RESPONSE TO TOPICS AND CONCERNS

PNC maintains strong capital and liquidity positions.

PNC provides businesses and consumers across its geographies access to a wide array of competitively priced lending and deposit services.

PNC maintains robust, enterprise-wide fair lending, Bank Secrecy Act, Anti-Money Laundering, sanctions and consumer compliance programs.

PNC Bank received an “Outstanding” rating under the Community Reinvestment Act.

In response to suppliers’ concerns, PNC has created a short-form agreement that addresses lower-risk and lower-spend engagements whereby PNC can satisfy its risk mitigation obligations with less onerous terms and conditions. This agreement has made it easier for small businesses to contract with PNC. Furthermore, while our third-party due diligence activities are in large part dictated by federal regulations, we work closely with our suppliers to assist them through this process.

PNC often responds by providing volunteer assistance and financial resources.

GOVERNMENT SUPPLIERS NON-GOVERNMENTAL ORGANIZATIONS INDUSTRY GROUPS AND COALITIONS CSR WORKING GROUP
## GRI 102 TOPIC-GENERAL DISCLOSURES 2016*

<table>
<thead>
<tr>
<th>DISCLOSURE</th>
<th>DESCRIPTION</th>
<th>RESPONSE</th>
<th>LOCATION</th>
</tr>
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<tbody>
<tr>
<td>102-1</td>
<td>Name of the organization</td>
<td>The PNC Financial Services Group, Inc.</td>
<td>PNC’s 2018 10-K, page 1.</td>
</tr>
<tr>
<td>102-2</td>
<td>Activities, brands, products and services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>Pittsburgh, Pennsylvania</td>
<td></td>
</tr>
<tr>
<td>102-4</td>
<td>Location of operations</td>
<td></td>
<td>PNC Corporate and Economic Profile, page 10.</td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>The PNC Financial Services Group, Inc. is a publicly owned company incorporated in the Commonwealth of Pennsylvania and headquartered in Pittsburgh, Pennsylvania. PNC’s common stock is listed on the New York Stock Exchange and is traded under the ticker symbol &quot;PNC.&quot; Our corporate legal structure at December 31, 2018, consisted of one domestic subsidiary bank, including its subsidiaries, and 35 active non-bank subsidiaries, in addition to various affordable housing investments. Our bank subsidiary is PNC Bank, National Association (PNC Bank), a national bank headquartered in Pittsburgh, Pennsylvania.</td>
<td></td>
</tr>
<tr>
<td>102-6</td>
<td>Markets served</td>
<td></td>
<td>PNC Corporate and Economic Profile, page 10.</td>
</tr>
<tr>
<td>102-7</td>
<td>Scale of the organization</td>
<td>As of December 31, 2018, PNC had 53,063 employees and $17.132 billion in net revenue. While our retail branch network is located in markets across the Mid-Atlantic, Midwest and Southeast, we also have strategic international offices in four countries outside the U.S. The vast majority of PNC’s employees and operations are located in the United States, and PNC’s limited foreign operations are conducted through two foreign branches, as well as certain subsidiaries. PNC Bank’s only two foreign branches are located in Toronto, Canada and Nassau, Bahamas. PNC’s principal foreign subsidiaries, both of which are indirect subsidiaries of PNC Bank, are Harris Williams &amp; Co. Ltd., which provides financial advisory services to companies in the European Union through offices located in London, United Kingdom and Frankfurt, Germany, and PNC Financial Services UK Ltd., which provides asset-backed commercial loans in the United Kingdom through offices in London and several other locations in the U.K. Assets, revenue and earnings attributable to foreign activities were not material in the periods presented.</td>
<td>For the quantity of products and services, PNC’s 2018 10-K, page 1.</td>
</tr>
<tr>
<td>102-8</td>
<td>Information on employees and other workers</td>
<td>As of December 31, 2018, PNC had 53,063 employees, including 50,928 full-time and 2,135 part-time employees. An insubstantial portion of PNC’s work is performed by workers who are legally recognized as self-employed or by individuals other than employees or supervised workers. Also, PNC does not experience significant variations in employment numbers.</td>
<td>For workforce diversity, Build a Talent-Focused Culture, page 14.</td>
</tr>
</tbody>
</table>

*PNC’s 2018 Corporate Social Responsibility Report applies the 2016 version of the GRI Standards; “2016” refers to the Standards issue date, not the date of information presented in this report.
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<tbody>
<tr>
<td>102-10</td>
<td>Significant changes to the organization and its supply chain</td>
<td>In 2018, PNC opened offices in Denver, Colorado; Houston, Texas; and Nashville, Tennessee.</td>
<td>For PNC’s National Retail Digital Expansion, Deliver an Exceptional Customer Experience, page 32.</td>
</tr>
<tr>
<td>102-11</td>
<td>Precautionary principle or approach</td>
<td>PNC has applied the precautionary principle in its approach to environmental challenges since the late 1990s, when it first adopted green building practices to increase employee satisfaction, reduce its environmental impact and decrease operating expenses. In 2002, PNC became the first major U.S. bank to apply green building standards to all newly constructed or renovated retail branches and office buildings and now has more than 270 LEED-certified projects. PNC’s green building and energy management programs have helped the company reduce its energy consumption by 30% since 2009. In addition to its internal operations, PNC has used the precautionary principle in how it manages environmental risk related to its lending portfolio.</td>
<td>For more information regarding PNC’s risk management approach as it relates to the company’s lending portfolio, Bank Responsibly, page 41.</td>
</tr>
<tr>
<td>102-12</td>
<td>External initiatives</td>
<td>In 2016, PNC became a signatory of the Green Bond Principles, voluntary guidelines managed by the International Capital Markets Association that outline best practices for issuing green bonds.</td>
<td>For the industry groups and coalitions in which we hold a governance position and/or to which we provide funding, Stakeholder Engagement, page 45.</td>
</tr>
</tbody>
</table>

**STRAIGHT**

<table>
<thead>
<tr>
<th>DISCLOSURE</th>
<th>DESCRIPTION</th>
<th>RESPONSE</th>
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</thead>
<tbody>
<tr>
<td>102-14</td>
<td>Statement from senior decision-maker</td>
<td>A Message From Our CEO, page 3.</td>
</tr>
</tbody>
</table>

**ETHICS AND INTEGRITY**

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<tr>
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**GOVERNANCE**

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</tr>
</thead>
<tbody>
<tr>
<td>102-18</td>
<td>Governance structure</td>
<td>For PNC’s Corporate Governance, Bank Responsibly, page 37.</td>
</tr>
</tbody>
</table>

**STAKEHOLDER ENGAGEMENT**

<table>
<thead>
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<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>102-40</td>
<td>List of stakeholder groups</td>
<td>Stakeholder Engagement, page 44.</td>
</tr>
</tbody>
</table>

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**GRI 102 TOPIC-GENERAL DISCLOSURES 2016**

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</tr>
</thead>
<tbody>
<tr>
<td>102-41</td>
<td>Collective bargaining agreements</td>
<td>None of PNC’s employees are covered by collective bargaining agreements.</td>
<td>Stakeholder Engagement, page 44.</td>
</tr>
<tr>
<td>102-42</td>
<td>Identifying and selecting stakeholders</td>
<td>PNC’s stakeholders include those who impact or are impacted by PNC and its operations. These individuals and entities may be connected to and interested in the company from an employment, business, investment, regulatory, legal and/or reputational perspective. PNC engages with all stakeholders through different channels and with varying frequency.</td>
<td>Stakeholder Engagement, page 44.</td>
</tr>
<tr>
<td>102-43</td>
<td>Approach to stakeholder engagement</td>
<td></td>
<td>Stakeholder Engagement, page 44.</td>
</tr>
<tr>
<td>102-44</td>
<td>Key topics and concerns raised</td>
<td></td>
<td>Stakeholder Engagement, page 44.</td>
</tr>
</tbody>
</table>

**REPORTING PRACTICE**

<table>
<thead>
<tr>
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<th>DESCRIPTION</th>
<th>RESPONSE</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-45</td>
<td>Entities included in the consolidated financial statements</td>
<td>The entity of PNC’s consolidated financial statements is The PNC Financial Services Group, Inc., which is covered by PNC’s 2018 CSR report.</td>
<td>For PNC’s consolidated financial statements, PNC’s 2018 10-K, pages 84 to 89.</td>
</tr>
<tr>
<td>102-46</td>
<td>Defining report content and topic boundaries</td>
<td>In the summer of 2018, PNC conducted its second materiality analysis. The results of this analysis have informed PNC’s 2018 CSR report.</td>
<td></td>
</tr>
<tr>
<td>102-47</td>
<td>List of material topics</td>
<td>The topics related to PNC’s materiality analysis that largely define PNC’s 2018 CSR report content include: Anti-Corruption, Anti-Competitive Behavior, Customer Privacy, Diversity and Equal Opportunity, Marketing and Labeling, Non-Discrimination, and Training and Education.</td>
<td></td>
</tr>
<tr>
<td>102-48</td>
<td>Restatements of information</td>
<td>The 2016 and 2017 data for the Deliver an Exceptional Customer Experience metrics, “Client questions addressed on first Customer Care call”, and “Average speed of answer” were restated to reflect strategic partnership changes and the implementation of a new routing platform. Prior to these restatements, the 2016 and 2017 data for “Client questions addressed on first Customer Care call” were 65.1% and 64.4%, respectively, and the 2016 and 2017 data for “Average speed of answer” were 75.88 seconds and 38.87 seconds, respectively.</td>
<td></td>
</tr>
<tr>
<td>102-49</td>
<td>Changes in reporting</td>
<td>We have updated our GRI topics and disclosures to reflect the results of our 2018 materiality analysis</td>
<td></td>
</tr>
<tr>
<td>102-50</td>
<td>Reporting period</td>
<td>January 1 through December 31, 2018</td>
<td></td>
</tr>
<tr>
<td>102-51</td>
<td>Date of most recent report</td>
<td>April 2017</td>
<td></td>
</tr>
<tr>
<td>102-52</td>
<td>Reporting cycle</td>
<td>Annual</td>
<td></td>
</tr>
<tr>
<td>102-53</td>
<td>Contact point for questions regarding the report</td>
<td>Contact Us, page 52.</td>
<td></td>
</tr>
</tbody>
</table>

*PNC’s 2018 Corporate Social Responsibility Report applies the 2016 version of the GRI Standards; “2016” refers to the Standards issue date, not the date of information presented in this report.
### GRI 102: TOPIC-GENERAL DISCLOSURES 2016*

<table>
<thead>
<tr>
<th>DISCLOSURE</th>
<th>DESCRIPTION</th>
<th>RESPONSE</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-54</td>
<td>Claims of reporting in accordance with the GRI Standards</td>
<td>This report has been prepared in accordance with the GRI Standards: Core option.</td>
<td></td>
</tr>
<tr>
<td>102-56</td>
<td>External assurance</td>
<td>PNC's 2018 CSR report was not externally assured. All environmental data, however, has been assured by Bureau Veritas.</td>
<td></td>
</tr>
</tbody>
</table>

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### GRI 103: TOPICS AND TOPIC BOUNDARIES 2016*

#### MATERIAL TOPIC

<table>
<thead>
<tr>
<th>MATERIAL TOPIC</th>
<th>MANAGEMENT APPROACH CROSS-REFERENCE</th>
<th>RELEVANT EXTERNAL ENTITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ECONOMIC</strong></td>
<td></td>
<td>Competitors, customers, regulators, shareholders, suppliers</td>
</tr>
<tr>
<td>GRI 205: Anti-Corruption 2016</td>
<td><a href="http://www.pnc.com/codeofbusinessconduct">www.pnc.com/codeofbusinessconduct</a></td>
<td>Competitors, customers, regulators, shareholders, suppliers</td>
</tr>
<tr>
<td>GRI 206: Anti-Competitive Behavior</td>
<td><a href="http://www.pnc.com/codeofbusinessconduct">www.pnc.com/codeofbusinessconduct</a></td>
<td>Competitors, customers, regulators, shareholders, suppliers</td>
</tr>
<tr>
<td><strong>SOCIAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 404: Training and Education 2016</td>
<td>Build a Talent-Focused Culture, page 11.</td>
<td></td>
</tr>
<tr>
<td>GRI 405: Diversity &amp; Inclusion Opportunity 2016</td>
<td>Build a Talent-Focused Culture, page 11.</td>
<td>At PNC, Diversity &amp; Inclusion, is among our corporate values and an integral part of our talent and leadership development strategy. Talent and diversity &amp; inclusion go hand in hand because we know that the highest-performing teams are diverse and that the most productive workplaces are inclusive. We also know that to most effectively compete in the market, our company must reflect our increasingly diverse customer base.</td>
</tr>
</tbody>
</table>

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### GRI 200-400 TOPIC-SPECIFIC DISCLOSURES 2016*

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>DISCLOSURE</th>
<th>DESCRIPTION</th>
<th>LOCATION</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ECONOMIC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 201: Economic Performance 2016**</td>
<td>201-1</td>
<td>Direct economic value generated and distributed</td>
<td>For direct economic value generated and distributed, PNC Corporate and Economic Profile, page 10 and PNC's 2018 10-K, pages 84–89.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>201-2</td>
<td>Financial implications and other risks and opportunities due to climate change</td>
<td>For breakdown of community investments by theme, Strengthen Our Communities, page 22.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>201-3</td>
<td>Defined benefit plan obligations and other retirement plans</td>
<td>PNC's 2018 CDP report, sections C2.3, C2.4.</td>
<td></td>
</tr>
<tr>
<td>GRI 202: Market Presence 2016**</td>
<td>202-2</td>
<td>Proportion of senior management hired from the local community</td>
<td>In alignment with its commitment to the communities in which it conducts business, PNC makes a concerted effort to hire senior managers from those communities. In addition to seeking talent from our local communities, we frequently promote from within the organization, giving high-performing managers and employees an opportunity to advance their careers by taking on leadership roles. Note: PNC does not track the number or percentage of senior managers hired from its communities.</td>
<td></td>
</tr>
<tr>
<td><strong>Indirect Economic Impacts 2016</strong></td>
<td>203-1</td>
<td>Infrastructure investments and services supported</td>
<td>Strengthen Our Communities, pages 21–28.</td>
<td></td>
</tr>
<tr>
<td>GRI 205: Anti-Corruption 2016</td>
<td>205-1</td>
<td>Operations assessed for risks related to corruption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 206: Anti-Competitive Behavior 2016</td>
<td>206-1</td>
<td>Legal actions for anti-competitive behavior, anti-trust and monopoly practices</td>
<td>In 2018, PNC faced no legal actions for anti-competitive behavior, anti-trust and monopoly practices.</td>
<td></td>
</tr>
</tbody>
</table>

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** We have reported additional disclosures not related to material topics.
<table>
<thead>
<tr>
<th>TOPIC</th>
<th>DISCLOSURE</th>
<th>DESCRIPTION</th>
<th>LOCATION</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOCIAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 401: Employment 2016**</td>
<td>401-1</td>
<td>New employee hires and employee turnover</td>
<td>For employee turnover, Build a Talent-Focused Culture, page 14.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PNC Benefits <a href="http://www.pncbenefits.com">www.pncbenefits.com</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>401-2</td>
<td>Full-time benefits not provided to temporary/part-time employees</td>
<td>Build a Talent-Focused Culture, page 11.</td>
<td></td>
</tr>
<tr>
<td>GRI 404: Training and Education 2016</td>
<td>404-1</td>
<td>Average hours of training per year per employee</td>
<td>Build a Talent-Focused Culture, page 11.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>404-2</td>
<td>Programs for upgrading employee skills and transition assistance programs</td>
<td>Build a Talent-Focused Culture, page 11.</td>
<td></td>
</tr>
<tr>
<td>GRI 405: Diversity and Equal Opportunity 2016</td>
<td>405-1</td>
<td>Diversity of governance bodies and employees</td>
<td>Build a Talent-Focused Culture, page 11.</td>
<td></td>
</tr>
<tr>
<td>GRI 413: Local Communities 2016**</td>
<td>413-1</td>
<td>Operations with local community engagement, impact assessments and development programs</td>
<td>Deliver an Exceptional Customer Experience, page 33.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PNC considers this information to be confidential.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>04-FS14</td>
<td>Initiatives to improve access to financial services for disadvantaged people</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 417: Marketing and Labeling 2016</td>
<td>417-3</td>
<td>Incidents of non-compliance concerning product and service information and labeling</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 418: Customer Privacy 2016</td>
<td>418-1</td>
<td>Substantiated complaints concerning breaches of customer privacy and losses of customer data</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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** We have reported additional disclosures not related to material topics.
In 2018, PNC conducted its second materiality analysis — the first of which was conducted in 2015 — to identify its priority issues while taking into account the concerns and expectations of internal and external stakeholders. This materiality analysis is a requirement of the Global Reporting Initiative’s (GRI) Standards framework and informed much of the content in this report.

As part of this materiality analysis, we worked with a sustainability consultant to conduct in-depth research, including surveying employees and conducting interviews with PNC executives, customers and suppliers, as well as public officials and community leaders. We selected each participant carefully, surveying employees whose roles are relevant to the company’s environmental, social and governance (ESG) priorities, and interviewing external stakeholders who are familiar with PNC’s strengths, opportunities and impacts.

**Priority Issues**

Among other results, PNC’s analysis confirmed that data privacy and protection, ethical conduct, risk management, customer relations, innovation and talent management are important issues, among others of varying significance.

**Report Scope**

PNC publishes an annual Corporate Social Responsibility (CSR) report. This is our fourth GRI-based report and has been prepared in accordance with the GRI Standards: Core option. PNC’s 2018 CSR report covers the period of January 1 through December 31, 2018. Our most recent, prior CSR report was published in April 2018, and all of PNC’s GRI reports are available online at [www.pnc.com/csr](http://www.pnc.com/csr).

In addition to identifying the company’s priority issues, PNC’s analysis assessed the extent to which these issues impact various stakeholders. PNC’s GRI index outlines the boundaries of these issues, all of which are mapped to GRI Standards topics.

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**MATERIALITY MATRIX**

**IMPACT ON COMPANY**

**MATERIAL ISSUES**

- Climate Change
- Tax Strategy
- Financial Literacy
- ESG Products and Investments
- Facility Construction and Management
- Water
- Waste and Recycling
- Energy
- Economic Conditions
- Accessible and Financial Inclusion
- Corporate Governance
- Financial Compliance
- Advocacy and Political Engagement
- Employee Engagement
- Community Engagement
- Customer Relations
- Innovation
- Diversity & Inclusion
- Responsible Lending
- Risk Management
- Data Privacy and Protection
- Ethical Conduct

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**CONTACT US**

For questions about this report, please email [CSR@pnc.com](mailto:CSR@pnc.com).

For customer inquiries, please call 1-888-PNC-BANK.

For registered shareholder services, please call 800-843-2206.

For investor inquiries, please email [investor.relations@pnc.com](mailto:investor.relations@pnc.com).

For community inquiries, please email [community.development@pnc.com](mailto:community.development@pnc.com).

For media inquiries, please call 412-762-4550 or email [media.relations@pnc.com](mailto:media.relations@pnc.com).

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- **Twitter**: @PNCNews, @PNCBank and @PNCBank_Help
- **LinkedIn**: PNC, [www.linkedin.com/company/pnc-bank/](http://www.linkedin.com/company/pnc-bank/)

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The content in PNC’s 2018 CSR report is accurate as of December 31, 2018. Any updates or changes to this report will be reflected in the online version of our CSR report, which can be found at [www.pnc.com/csr](http://www.pnc.com/csr).

This CSR report should be read in conjunction with PNC’s 2018 Annual Report and 2019 Proxy Statement, both of which contain additional information about our company. This report uses certain terms, including those that the GRI sustainability reporting guidelines refer to as “Material topics,” to reflect the issues of greatest importance to PNC and our stakeholders. Used in this context, these terms should not be confused with the terms “material” or “materiality,” as defined by or construed in accordance with securities law, or as used in the context of financial statements and financial reporting. Furthermore, any forward-looking statements contained in this report should not be unduly relied upon, as actual results could differ materially from expectations. For more information about such statements, please refer to the “Forward-Looking Statements” and “Risk Factors” sections of our Form 10-K in PNC’s Annual Report for the year ended December 31, 2018, which can be found at [www.pnc.com/investorrelations](http://www.pnc.com/investorrelations).

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